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BURT FRANKLIN: RESEARCH AND SOURCE WORKS SERIES # 133

(AMERICAN CLASSICS IN HISTORY AND SOCIAL SCIENCE #16)

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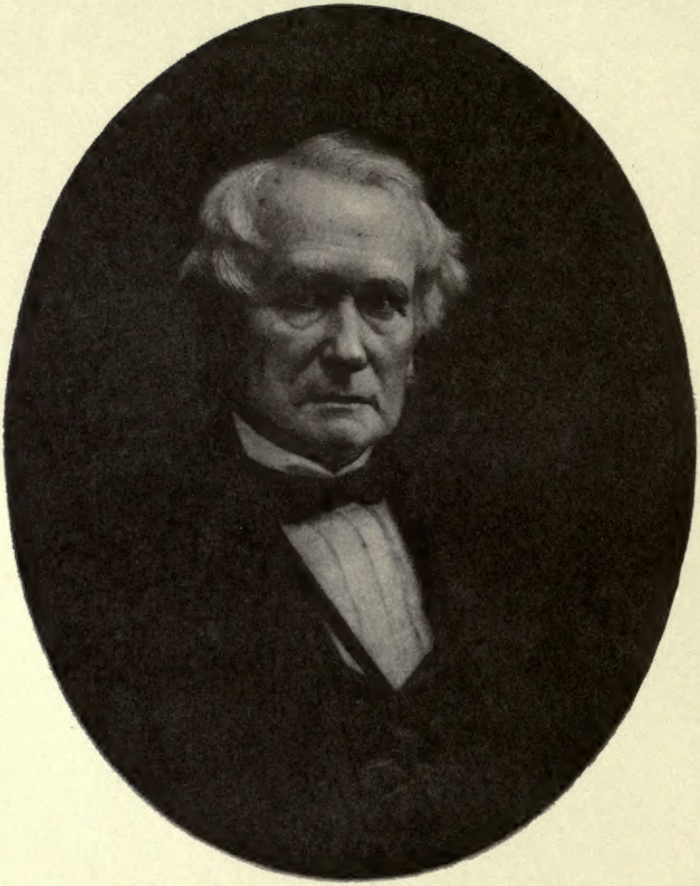
VOL 1



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Henry C. Carey

MISCELLANEOUS

WORKS

OF

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HENRY C. CAREY, LL. D.,

AUTHOR OF "PRINCIPLES OF SOCIAL SCIENCE," ETC. ETC.

VOL 1

BURT FRANKLIN: RESEARCH AND SOURCE WORKS SERIES # 133

(AMERICAN CLASSICS IN HISTORY AND SOCIAL SCIENCE #16)

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THE

HARMONY OF INTERESTS.

AGRICULTURAL, MANUFACTURING,

AND

COMMERCIAL.

By HENRY C. CAREY.

* * *

PHILADELPHIA:
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PREFACE.

The tendency of the whole British system of political economy is to the production of discord among men and nations. It is based upon the Ricardo and Malthusian doctrines of rent and population, which teach that men every where commence the work of cultivation on the rich soils of the earth, and that, when population is small, food is abundant; but that as numbers increase, men are forced to resort to poorer soils, yielding steadily less and less in return to labor. As a necessary consequence of the increasing scarcity of fertile soils, it is held that with this diminishing return, the land-holder is enabled to take a larger proportion of the proceeds of labor. thus profiting at the cost of the laborer, and by reason of the same causes which tend to the gradual subjugation of the latter to the will of his master. Here are, of course, lying at the very foundation of the system, discordant interests, and this discord is found in every succeeding portion of it. Over-population is held to be a result of a great law of nature, in virtue of which men grow in numbers faster than can grow the food that is to nourish them; and the poverty, vice, and crime that everywhere exist, are regarded as necessary consequences of this great law, emanating from an all-wise, all-powerful, and all merciful Being. War, famine, and pestilence are regarded as means provided by that Being for restraining population within the limits of subsistence. Charity is regarded as almost a crime, because it tends to promote the growth of population. The landlord excuses himself for taking large rents, on the ground that it is a necessary consequence of the natural tendency of man to increase in numbers with too great rapidity. The stockholder of the East India Company, who luxuriates upon the produce of his stock, regards it as one of the natural consequences of this great law that he should receive, as rent, so large a portion of the proceeds of labor applied to cultivation, as to leave to the poor cultivator but half a dollar per month out of which to supply himself and his family with food, raiment, and shelter; and excuses himself to his conscience, on the ground that it is a necessary result of great natural laws. Capital cannot become more productive, except at the cost of labor; nor can wages rise, except at the cost of capital.

Among the consequences of this great law of discords, promulgated by Malthus and Ricardo, is found the idea that, if men would prosper, they must live apart from each other. The rich lands of England are, as it is said, already occupied, and those who would find rich lands must fly to America or to Australia, there to produce food and raw materials with which to supply the market of England; and thus it is that that country seeks to establish a system of commercial centralization, that is—as was so justly said, seventy years since, by *Adam Smith*—a manifest violation of "the most sacred rights of mankind." That great man was fully possessed of the fact that, if the farmer or planter would flourish, he must bring the consumer to his side; and that if the artisan would flourish, he must seek to locate himself in the place where the raw materials were grown, and aid the farmer by converting them into the forms fitting them for the use of men, and thus facilitating their transportation to distant lands. He saw well, that when men came thus together, there arose a general harmony of interests, each profiting his neighbor, and profiting by that neighbor's success, whereas the tendency of commercial centralization was toward poverty and discord, abroad and at home. The object of protection among ourselves is that of aiding the farmers in the effort to bring consumers to their sides, and thus to carry into effect the system advocated by the great author of *The Wealth of Nations*, while aiding in the annihilation of a system that has ruined Ireland, India, Portugal, Turkey, and all other countries subject to it; and the object of the following chapters is that of showing why it is that protection is needed; how it operates in promoting the prosperity of, and harmony among, the various portions of society; and how certain it is that THE TRUE, THE PROFITABLE, AND THE ONLY MEANS OF ATTAINING PERFECT FREEDOM OF TRADE, is to be found in that efficient protection which shall fully and completely carry out the doctrine of Dr. Smith, in bringing the loom and the anvil to take their natural places by the side of the plough and the harrow.

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THE

HARMONY OF INTERESTS:

AGRICULTURAL, MANUFACTURING, AND COMMERCIAL.

WHY is protection needed? Why cannot trade with foreign nations be carried on without the intervention of custom-house officers? Why is it that that intervention should be needed to enable the loom and the anvil to take their natural places by the side of the plough and the harrow? Such are the questions which have long occupied my mind, and to the consideration of which I now invite my readers.

Of the advantage of perfect freedom of trade, theoretically considered, there could be no doubt. The benefit derived from such freedom in the intercourse of the several States, was obvious to all; and it would certainly seem that the same system so extended as to include the commerce with the various states and kingdoms of the world could not fail to be attended with similar results. Nevertheless, every attempt at so doing had failed. The low duties on most articles of merchandise in the period between 1816 and 1827, had produced a state of things which induced the establishment of the first really protective tariff, that of 1828. The approach to almost perfect freedom of trade in 1840, produced a political revolution, and a similar but more moderate measure, led to the revolution of last year. These were curious facts, and such as were deserving of careful examination.

It may be assumed as an universal truth, that every step made in the right direction will be attended with results so beneficial as to pave the way for further steps in the same direction, and that every one made in the wrong direction will be attended with disadvantageous results tending to produce a necessity for a retrograde movement. The compromise bill, in its final stages, was a near approach to perfect freedom of trade, the highest duty being only 20 per cent. Believing it to be a step in the right direction, one of the enthusiastic advocates of perfect freedom of trade proposed, soon after its passage, that, commencing with 1842, there should be a further reduction of one per cent. per annum for twenty years, at the end of which time all necessity for custom-houses would have disappeared. With the gradual operation of the earlier stages of that bill there was, however, produced a state of depression so extraordinary as to lead to a political change before reaching its final stages, and the duties had scarcely touched the point of 20 per cent. before they were raised to 30, 50, 60, or more, by the passage of the tariff of 1842. With the election of 1844, the friends of free trade were restored to power, and two years afterwards was passed the tariff of 1846—the free-trade measure—in which the revenue duty on articles to be protected was fixed at *thirty* per cent. Here was a retrograde movement. Instead of passing from twenty downwards, we went up to thirty, and thus was furnished an admission that so near an approach to free trade with foreign nations as was to be found in twenty per cent. duties had not answered in practice. Since then, it has been admitted, even by the most decided free-trade advocates, that on certain commodities even thirty per cent. was too low, and within six months from the date of the passage of the act of 1846, its author proposed to increase a variety of articles to thirty-five and forty per cent.* Here was another retrograde movement. It is now admitted that there are other articles the duties on which require to be raised, and daily experience goes to prove that such must be the case, or we must abandon some of the most important branches of industry. The tendency is, therefore, altogether backward. Thirty per cent. duty is now regarded as almost perfect freedom of trade, and instead of proposing a further annual reduction, each year produces a stronger disposition for a considerable increase. In all this, it is impossible to avoid seeing that there is great error somewhere, and almost equally impossible to avoid feeling a desire to understand why it is that the approaches towards freedom of trade with foreign nations have so frequently failed, and why it is that every strictly revenue tariff is higher than that which preceded it.

With a view to satisfy myself in regard thereto, I have recently made the examination, before referred to, of our commercial policy during the last twenty-eight years, commencing with 1821, being the earliest in relation to which detailed statements have been published. Before commencing to lay before you the results obtained, it may be well to say a few words as to the merits claimed by the two parties for their respective systems.

The one party insists that protection is "a war upon labour and capital," and that by compelling the application of both to pursuits that would otherwise be unproductive, the amount of necessaries, comforts, and conveniences of life obtainable by the labourer is diminished. The other insists that by protecting the labourer from competition with the ill-fed and worse-clothed workmen of Europe, the reward of labour will be increased. Each has thus his theory, and each is accustomed to furnish facts to prove its truth, and both can do so while limiting themselves to short periods of time, taking at some times years of small crops, and at others those of large ones, and thus it is that the inquirer after truth is embarrassed.† No one has yet, to my knowledge, ever undertaken to examine all the facts during any long period of time, with a view to show what have been, under the various systems, the powers of the labourer to command the necessaries and comforts of life. One or other of the systems is true, and that is true under which labour is most largely rewarded: that under which the labourer is enabled to consume most largely of food, fuel, clothing, and all other of those good things for the attainment of which men are willing to labour. If, then, we can ascertain the power of consumption at various periods, and the result be to show that it has invariably increased under one course of action, and as invariably diminished under another, it will be equivalent to a demonstration of the truth of the one and the falsehood of the other. To accomplish this, has been the object of the inquiry in which I have recently been engaged.

---

* Treasury Report, Feb. 1, 1847.

† A person employed in the preparation of government statistics inquired, on being asked to prepare some tables, what was to be the policy to be proved. "Why," said the other, "could you prove both sides?" "Equally well," said he.

It is necessary now to show what have been the distinguishing features of the several systems that have been in operation during the period to be examined. They are as follows:—

First. The tariff of 1816 was a planters' and farmers' measure. Cotton and coarse cotton cloths were carefully protected. Iron itself was well protected, but almost all manufactures of iron, the commodities for the production of which pig or bar iron could be used, were admitted at 20 per cent. Wool paid 15 per cent. Blankets and woollen and stuff goods paid 15 per cent., and finer goods 25 per cent., until 1819, after which they paid but 20 per cent. Spirits paid a heavy specific duty, for the benefit of the farmers; but paper, hats, caps, manufactures of leather, types, and manufactured articles generally, paid only from 20 to 30 per cent. Coal paid 5 cents per bushel, but the commodities in the manufacture of which coal was to be used paid ad valorem duties. Protection was thus given to the coarse commodities that least required it, and refused to those for the production of which the coarser ones were to be used. As a matter of course, its protective features were totally inoperative.

Second. That of 1824, under which iron was, as before, well protected, but manufactures of iron, and of metals generally, were admitted at 25 per cent. Wool was raised to 20 per cent., to increase, by successive stages, until it reached 30 per cent. Coarse woollens were fixed permanently at 25 per cent. Finer ones were to rise gradually until they reached 33½ per cent. Carpets paid from 20 to 50 cents per square yard. Hams paid 3, and butter 5 cents per pound. Potatoes 10, oats 10, and wheat 25 cents per bushel; while scythes, spades, shovels, and other things requisite for the raising of wheat and potatoes, paid 30 per cent. Spirits were carefully protected. Bolting cloths paid 15 per cent. Sail-duck, Osnaburgs, &c., 15 per cent. Cotton cloths paid 25 per cent., with a minimum of 30 cents per yard. The general features of this law did not vary materially from those of that of 1816, although protection was slightly increased.

Third. The first tariff thoroughly protective, and so intended to be, was that of 1828. It continued until 1832, when was passed the first of two laws by which the whole policy of the country was changed. This series constitutes stage the

Fourth. By the act of July 14, 1832, railroad iron was admitted free of duty. Axes, spades, &c., as before, 30 per cent. Bar and pig iron were carefully protected, but a large portion of the commodities for which they were needed were thus admitted without duty, or at the same rate as under our present free-trade tariff. Tea and coffee were free. Silks paid 10 per cent. Wool was protected, but worsted stuff goods were admitted at 10 per cent. Cotton goods paid 25 per cent., with minimums of 30 cents for plain, and 35 for prints. This continued in force until the following March, when was passed *the Compromise Act*, under which linens, stuff goods, silks, and other articles were admitted free of duty, and one-tenth of the excess over 20 per cent. reduced from all other commodities, to take effect December, 1833, with a further similar reduction every two years until 1841, when one-half of the remaining surplus was to be reduced, and the other half in 1842, when no duty would exceed 20 per cent.

Fifth. The protective tariff of 1842, which was followed by

Sixth. The free trade tariff of 1846, now in existence.

We have thus had six different systems, but the first and second differ from each other so little that it is unnecessary to separate the years falling under them, whereas the early years of the Compromise differ so essentially from the two latter that it is expedient to separate them. I shall therefore group the results as follows:—

First. The tariffs of 1816 and 1824, ending with 1829.

Second. That of 1828, commencing with October, 1829, and ending with the period at which the Compromise began to become operative, October, 1834.

Third. The Compromise, commencing with 1835 and ending with 1841.

Fourth. The years 1842 and 1843, the period immediately preceding and following the passage of the act of 1842, being that of the strictly revenue tariff of 20 per cent.

Fifth. The tariff of 1842, commencing June, 1843, and ending June, 1847.

Sixth. That of 1846, commencing June, 1847, and coming down to the present time.

It will be observed that I have placed the year 1829 in the first period. and 1834 in the second. It is not the passage of an act that produces change, but its practical operation, and the first year of the existence of a new system is but the sequel of that which is passing out. When protection is given to the makers of cloth and iron, mills and furnaces are not built in a day, nor are they abandoned as soon as protection is withdrawn. Had it been possible, I would have pursued the same precise system with every period, but it was not. The act of 1842 came into operation on the first of September of that year, and in the following one the time for making up the Treasury accounts was changed to June 30, and therefore only the first ten months that followed its going into effect could be included under the previous period. That of 1846 did not come into effect until December 1, and therefore but the first seven months that followed could be included in the system of 1842. The law of 1842 was in existence four years and a quarter, but I could give it only four years, which works materially to its disadvantage, and to the advantage of that of 1846.

In some cases even more than a year would be required to make an exact comparison of the working of the different systems. The immigration of one year is materially influenced, perhaps I might say determined, by the state of the labour-market of the previous year, and the change in that is at least a year subsequent to the passage of a law. Thus, if the tariff of 1842 tended to raise the compensation of the labourer, its effects would not become obvious until 1843, and it would not be until 1844 or even 1845, that an increase of immigration would take place. The price of labour was high in 1847–8, and we have a large amount of immigration in 1849. It is now falling, and the immigration of next year will probably be reduced.

So likewise is it with the supply of grain. A diminution in the demand for labour in mines and furnaces in 1842 tended to increase emigration to the West. For the first year, 1843, those emigrants were consumers only. In the second, 1844, they had grain to sell, and prices fell. In the present year, the demand for labour in mines and furnaces, and in the erection of mills and furnaces, is diminished, and emigration to the West is increased, yet the effect of this on the supply and price of food may not, and probably will not become obvious until 1852.

Your predecessor appears entirely to have overlooked this necessity for allowing time to permit new systems to develope themselves, and to affect the movements of the people. In his last report to Congress is given a comparative view of the receipts from customs in the last six months of the tariff of 1842, and the first six of that of 1846, by which it is shown that the one was twice as productive as the other, and yet very slight reflection would have sufficed to satisfy him that scarcely any portion of the difference had resulted from the change of commercial policy indicated by the adoption of his tariff. The amount that could be imported and paid for was dependent on the state of affairs that had existed in the country during the previous year, and the passage of the law had scarcely even the slightest influence upon it. In the same way, the receipts from customs from September, 1842, to November, 1846, are compared with those of 1847 and 1848, when it is well known that in 1842, under the Compromise, the imports had fallen so low that the government was compelled to send to Europe to endeavour to effect a loan for its support even in a time of profound peace. If a cause has right on its side, such erroneous views cannot be required to be presented. In the tables that I shall now offer for consideration, I have pursued, as nearly as possible, a uniform course, commencing each period at the time at which the system might fairly be deemed to become operative, to wit: at the close of the fiscal year following the one in which the law was enacted. If error, then, exist at the commencement of the period, it will find its compensation at the close, and thus justice will be done to all.

There still remain two other points in regard to these tables, to which I have to ask your attention.

First. It is usual in almost all tables of import and export to exclude specie and bullion. This is wrong, and tends to produce error, and to prevent a proper understanding of the working of the system that may be under consideration. Gold and silver are commodities produced abroad, of which we consume large quantities, occasionally exporting the surplus; and there is no reason whatever why they should not be treated precisely as are coffee, wines, brandy, and other foreign commodities. When they are imported they come in exchange for our products, and the sum of merchandise and specie imported is the value of our exports. When exported, they go in lieu of our products, and should be treated as foreign merchandise re-exported. By deducting them from the value of the merchandise imported we obtain the value of our domestic exports.

Second. It is usual to affix to the commodities exported arbitrary prices, and thus to obtain their money value. These prices are fixed at the ports of shipment, and represent only what *we ask* for the commodities we have to sell, not what *we get* for them. They represent, too, the prices *minus* the earnings of the machinery employed in performing the work of transportation, which must then be guessed at. The consequence of all this is, that the tables published by the Treasury are totally worthless as guides to a proper understanding of the general course of trade. What is needed to obtain such an understanding is that the nation make out its accounts as it would do if it were a merchant, putting down not the price asked but the price received, and then balancing its books by ascertaining whether the year's business has increased or diminished its debts. The amount received for our exports constitutes their precise value, and to ascertain what is that amount we should take the value of merchandise imported, deducting therefrom any debt contracted, or adding thereto any debt paid off, during the year. Thus, if the imports be $100,000,000, and the debt contracted by the transfer of stocks has been $10,000,000, the amount paid for by our exports is only $90,000,000. On the contrary, if we have paid off that amount of debt, it should be added, and we should thus obtain $110,000,000 as the true value of the produce and merchandise exported. The freights are thus included.

To carry this fully into practice in the following tables would be impracticable, but it may be done in part. It is generally understood that the amount of American stocks, public and private, held in Europe in 1841 exceeded $200,000,000, and there is reason to believe that they exceeded by $170,000,000 the amount held in November, 1834, when the great stock speculation commenced.[*] By deducting this sum from the merchandise imported between the close of 1834 and the year 1841, we shall obtain the value of produce and merchandise exported. A part of this debt was absorbed in the years 1845, 1846, and 1847, while on the other hand new debts were created last year, and are now being created by the transmission of evidences of debt. To the imports of the three first named should be added the debt absorbed, and from those of the last two years should be deducted the debt created, and we should then obtain the actual amount paid for by produce and domestic merchandise exported, and by the shipping employed in the work of transportation.

There are other and earlier years in which corrections might be required, but they are of trifling amount by comparison with those to which I have referred. In those years small loans were made, but it is probable that nearly as much was paid off, except perhaps in 1825, in which a considerable amount of European debt was created. The amount, however, is so uncertain that I have not thought it worth while to make any correction therefor; although to do so might, and perhaps would, produce a sensible diminution in the value received for our produce exported prior to 1829, which would thereby be placed in a somewhat worse position than that in which I have represented it.

With these remarks, I will now proceed to lay before you the results of my inquiries. In doing so, I will give every fact that appears to me likely to throw light on this important question, concealing nothing. If, then, those who have arrived at conclusions different from mine, and are in possession of other facts, will put them together as I now do, we may by degrees arrive at the truth. It is the great question for the nation, and it is time that it should be examined as a purely scientific, and not as a party or sectional one.

CHAPTER SECOND.

The average population of the Union in the several periods referred to, is thus estimated in the last Treasury Report:[†]

First. For the years from that ending Dec. 31, 1821, to that of Dec. 31, 1829	11,247,000
Second. From Sept. 1829, to Sept. 1834[‡]	13,698,000
Third. From Sept. 1834, to Sept. 1841	16,226,000
Fourth. From Sept. 1841, to June, 1843	18,296,000
Fifth. From June, 1843, to June, 1847[‡]	19,771,000
Sixth. From June, 1847, to June, 1848	21,000,000
Seventh. From June, 1848, to June, 1849	21,700,000

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[*] Report of Select Committee on Banks of Issue: Evidence of Mr. I. Horsley Palmer, page 106.

[†] Page 68.

[‡] As these years are frequently referred to separately, I give their population, on the same authority:—

1829–'30	12,856,165	1843–'44	19,034,332
1830–'31	13,377,415	1844–'45	19,525,749
1831–'32	13,698,665	1845–'46	20,017,165
1832–'33	14,119,915	1846–'47	20,508,582
1833–'34	14,541,165	1847–'48	21,000,000

The amount of foreign merchandise, specie included,* retained in these several periods, has been as follows:—

		Total.	Annual Average.	Pr. head.
1821 to 1829		$508,000,000	56,400,000	$5·00
1830		55,500,000		4·32
1831		81,000,000		6·10
1832		75,500,000		5·51
1833		88,000,000		6·20
1834		103,000,000		7·08
1835 to 1841	854,000,000			
Deduct debt incurred	170,000,000	684,000,000	97,700,000	6·02
1842 to 1843 (21 months, ending June 30,)		145,000,000	82,000,000	4·48
1843–'44		96,000,000		5·03
1844–'45		101,000,000		5·16
1845–'46	110,000,000			
Add debt and back interest paid	5,000,000	115,000,000		5·75
1846–'47	138,000,000			
Do.	5,000,000	143,000,000		7
1847–'48	131,600,000			
Deduct debt incurred	8,000,000	121,600,000		5·88
1848–'49	134,700,000			
Do.	22,000,000	112,700,000		5·19

The facts derivable from an examination of the above accounts are as follows:—

First. That the amount received from foreign nations in exchange for our surplus products largely increased during the existence of the tariff of 1828.

Second. That the amount so received diminished greatly after the Compromise Bill began to become operative.

Third. That the amount so received from foreign nations was still further and largely diminished under the strictly revenue clauses of that bill, and that the tendency was downward when the system was changed.

Fourth. That the amount so received increased rapidly under the tariff of 1842, attaining nearly the same point that had been reached under the tariff of 1828, and that in both cases the tendency was still upwards when the system was changed.

Fifth. That the amount so received diminished in the year 1848.

Seventh. That the amount of debt incurred in the last two years must tend to produce a further diminution in future ones.

In establishing the scale of value of our exports, including the earnings of shipping, the following is the order to be pursued:—

First, and lowest. The strictly revenue clauses of the Compromise Act.

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* The movement of specie in those periods was as follows:—

1821 to 1829, Excess export	$9,000,000	Deducted from the merchandise imported.
1830 to 1834, Excess import	25,000,000	Added thereto.
1835 to 1841, " "	27,000,000	do.
1842 and 1843, " "	20,000,000	do.
1844 to 1847, " "	18,000,000	do.
1848, Excess export	9,000,000	Deducted.
1849. " import	2,000,000	Added.

Second. The partially protective tariffs of 1816 and 1824.

Third. The Compromise Act.

Fourth. The tariff of 1828.

Fifth, and highest. The tariff of 1842.

Thus far, the tariff of 1846 stands below that of 1842, and the tendency is downward, but to what place in the scale it will descend can be determined only after it shall have been some years in operation.

CHAPTER THIRD.

REVIEW OF THE COMMERCIAL POLICY OF THE LAST THIRTY YEARS.

I NOW proceed to show in detail the consumption of various commodities, of foreign and domestic production. In doing so, it will be necessary in some cases, to arrive at a correct understanding, to make allowances similar to those above given: my object being that of showing what was the power to *consume* that was derived from the power to *produce* commodities to be given in exchange for those which were consumed.* It would be proper to do this in all, but the effect would be to render the whole somewhat complicated, besides involving much labour. In giving the imports of the period from 1834 to 1841, they will always be accompanied with the mark of *minus* one-fifth, so as to show the amount consumed and *paid for.* In giving those of 1845–6 and 1846–7, they will, in some important cases, be accompanied with that of *plus* one-twentieth, so as to show the quantity of merchandise imported in a previous period, and *then paid for* by the cancelling of certificates of debt. Those of 1848 will have the mark of *minus* one-seventh, to show the amount paid for by the re-export of nine millions of foreign merchandise in the form of specie, and the export of eight millions of certificates of debt. Of the imports of the year ending in June last, amounting to $134,700,000, about $22,000,000, or one-sixth, were obtained in exchange for such certificates, and will be so marked.

The total value of pig, bar and manufactured IRON, of every description, imported into the Union, since 1821, has been as follows:—

Years ending,			Per head,
Sept. 30, 1821 to 1829, average		$5,400,000	48 cents.
" 1830		5,900,000	46 "
" 1831		7,200,000	54 "
" 1832		8,800,000	64 "
" 1833		7,700,000	55 "
" 1834		8,500,000	59 "
" 1835 to 1841	$10,000,000 — $\frac{1}{5}$,	8,000,000	49 "
" 1842 to June 30, 1843, average		5,500,000	30 "
June 30, 1844		5,700,000	30 "
" 1845		9,000,000	46 "
" 1846	$5,830,000 + $\frac{1}{20}$	6,120,000	31 "
" 1847	+ $\frac{1}{20}$	9,000,000	44 "
" 1848	12,500,000 — $\frac{1}{7}$	10,800,000	50 "
" 1849	13,833,094 — $\frac{1}{6}$	11,500,000	53

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* See page 9.

We see here, that the value imported and *paid for*, largely increased from from 1830 to 1834, under the protective tariff of 1828; that it diminished considerably between 1834 and 1841, and that it reached the lowest point in 1841–2 and 1842–3. Thenceforward it rose, and the year 1846–7 shows an advance of about fifty per cent. from the lowest point. It is therefore obvious, that the power to pay for foreign iron increased under protection, and diminished with its withdrawal. I give now the *quantity* of various kinds of IRON imported:

	Pig, tons.	Old, tons.	Rolled, tons.	Hoop, tons.	Steel, tons.	Ham'd, tons.	Total, tons.	Pr h. lbs.
1821 to 1829, average,	1550	—	5400	1500	1200	26,000	35,650	7
1830, ...	1129	—	6449	1038	1223	30,693	40,532	7
1831, ...	6448	—	17,245	2532	1710	23,308	51,243	8⅗
1832, ...	10,151	—	20,387*	2853	2146	38,150	73,687	12
1833, ...	9330	998	28,028*	3350	2131	36,129	79,961	13
1834, ...	11,113	1617	28,896*	2214	2431	31,784	78,055	12
1835 to 1841, average —⅕	8800	640	36,000*	2600	2150	24,000	74,190	10
1842–3, average, . . .	14,500	500	46,000†	2900	2400	14,750	81,050	10
1844, ...	26,050	5770	46,000	3600	2800	17,500	101,720	12
1845, ...	27,000	5800	51,000	5800	2800	18,176	110,576	13
1846, ...	24,000	2350	24,000	5040	5200	21,800	82,390	9
1847, ...	27,800	1850	40,000	6000	5400	15,300	96,350	10⅗
1848, ... —⅐	44,000	5700	70,000	8300	5850	17,000	150,850	16
1849, ... —⅙	88,000	8000	145,000	10,000		9,000	260,000	27

The quantity *paid for by our exports* was thus almost doubled before the termination of the second period, in 1834; while it diminished under the compromise, and still further under the revenue system. As the tariff of 1842 came into activity, we find a rapid increase in the power to purchase, until the import became checked by the vast increase in the price abroad, and in the manufacture at home.

DOMESTIC PRODUCTION OF IRON.

In 1810, the whole number of furnaces in the Union was 153, yielding 54,000 tons of metal, equal to 16 pounds per head of the population.

1821, the manufacture was in a state of ruin.

1828, the product had reached 130,000 tons, having little more than doubled in eighteen years.

1829, it was 142,000. Increase in one year, nearly ten per cent.

1830, " 165,000. Increase in two years, more than twenty-five per cent.

1831, " 191,000. Increase in three years, about fifty per cent.

1832, " 200,000, giving an increase in three years of above sixty per cent.

1840, the quantity given by the census was 286,000, but a committee of the Home League, in New York, made it 347,700 tons. Taking the medium of the two, it would give about 315,000 tons, being an increase in eight years of fifty per cent.

1842, a large portion of the furnaces were closed, and the product had fallen to probably little more than 200,000, but certainly less than 230,000 tons.

1846, it was estimated, by the Secretary of the Treasury, at 765,000 tons, having trebled in four years.

1847, it was supposed to have reached the amount of not less than 800,000 tons.

1848, it became stationary.

1849, many furnaces being already closed, the production of the present year cannot be estimated above 650,000 tons; but, from the accumulation of stock and the difficulty of selling it, it is obvious that the diminution next year will be greater.

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* Railroad iron free of duty. † Duty re-imposed.

	Domestic product.	Per head.	Import. Per head.		Total consumption
1821 to 1829, average, .	90,000	18	7		25
1830, ...	165,000	29	7		36
1831, ...	191,000	33	8⅔		41⅔
1832, ...	210,000	35	12		47
1833, ...	210,000*	33	13		46
1834, ...	210,000*	33	12		45
1835 to 1841, average, .	250,000	35	11		46
1842–1843, average,	230,000	28	10		38
1844, ...	380,000	45	12		57
1845, ...	500,000	58	13		71
1846, ...	765,000	86	9		95
1847, ...	800,000	88	10⅔		98⅔
1848, ...	800,000	86	19	105	
Deduct from this the quantity imported in exchange for certificates of debt, and therefore remaining to be paid for at a future time, ...				3	
There will remain				102	
If now we further deduct from this the accumulation of stock on hand, we shall find the consumption not exceeding that of the preceding year, say					98⅔
1849, ...	650,000	67	32	99	
The value imported in this period is $13,800,000, and the amount of debt incurred is $22,000,000, chiefly for this iron. The quantity on hand is variously estimated between 250 and 300 thousand tons. Taking the former, the amount per head would be				26	
Which being deducted, would leave the consumption at . —					73

From 1821 to 1829, the cost of iron, in labour, was high, as is shown in the fact that the consumption was but twenty-five pounds per head. In 1832, it had risen to 47 pounds; but, railroad iron being then freed from duty, the consumption of the two following years fell off, indicating an increased difficulty of obtaining it. Thence to 1841, the average power of consumption appears to have remained almost perfectly stationary; but, in the two following years, we find it receding rapidly. As the tariff of 1842 comes into operation, there is a rapid increase in the power of consumption, indicating a diminution in the amount of labour required for its purchase; and the year 1846–7 shows it attaining a point far higher than ever before known, being almost 100 pounds per head. With the year 1847–8, the domestic production declined in its ratio to population, and the import increased; but the total quantity in market was very little greater than in the previous year, yet the close of that year showed an accumulation of stock on hand. In 1849 we find a rapid increase of import and diminution of production, yet the total quantity brought to market is less per head than in 1846–7, and of that there is already so vast an accumulation that the seaports are filled with it, and the stock on hand at the furnaces is such, that many will be forced to stop work, as numbers have already done.† It is obvious that the difficulty of obtaining iron is increasing, and that the consumption is rapidly diminishing, with a tendency to still further diminution.

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* Railroad iron, free of duty.

† Pennsylvania is the great iron-producing State of the Union, and we may form some idea of the accumulation of stock, or the diminution of production, there, from the following facts. The pig iron sent to market by the one route of the Chesapeake and Delaware Canal, from the opening of navigation to the first of September, 1848, amounted to 24,000 tons; whereas, in the same period of 1849, it fell to little over 12,000 tons, and the bar iron from 5000 to 1250 tons.

The important facts to be derived from this examination are—first, the small increase of importation that results, even temporarily, from the abolition of the duty. During the period from 1830 to 1832, railroad iron paid duty, and yet the importation trebled in that time, and the last year was far the greatest of the three. For nine years after, it was totally free from duty; and, although much of that which was imported for railroads is said to have been used for other purposes, the increase averages but seventy per cent. By the tariff of 1841,* railroad iron was rendered subject to duty, and the import of rolled iron in 1842 and 1843 was 46,000 tons, being two-thirds more than was imported free of duty in 1834.

Second. That, under the protective tariff of 1828, the total consumption, per head, increased, in four years, fifty per cent. That, under the system which prevailed from 1832 to 1842–3, consumption was almost stationary, and was probably less per head than it had been at the commencement of the period. That, under the tariff of 1842, the average consumption increased in the first year from thirty-nine to fifty-seven pounds, and that, in 1846 and 1847, it attained the height of almost one hundred pounds per head, exceeding by 150 per cent. the consumption of the free trade period of 1842–3.

If, now, we look at the single article of railroad iron, we find similar results. Up to 1842, not a single ton of it had ever been made in this country, and yet the average consumption of rolled iron, of every description, in the ten years from 1832 to 1842, free of duty as it was, was but about 36,000 tons. Commenced only in 1843, the manufacture of railroad bars in 1845 had already reached about 50,000 tons, and, in 1847, it had attained nearly 100,000 tons, and yet the average import of rolled iron for the four years was nearly as great as before. The domestic production has now fallen almost to nothing, and yet the import has been only 174,000, of which, it is said, there is now on hand a supply adequate to meet the demand, such as it is at present, for two years to come.

The questions to be settled are—Which is the system under which iron is most cheaply furnished? Which is the one under which it is most readily obtained by those who desire to use it? If free-trade be the one, then the power to import, under it, ought to grow more rapidly than the power to produce diminishes; but we see here that the power to import diminishes with the power to produce, and grows with the growth of the power of production, being greatest under protection.

COAL.

	Anthracite. Tons.	Foreign. Tons.	Total. Tons.	Consumption per 1000 of populat'n
1821 to 1829, average,	37,000	30,000	67,000	6 tons.
1830, ...	142,000	54,000	196,000	15
1831, ...	216,000	84,000	250,000	19
1832, ...	318,000	66,000	384,000	28
1833, ...	395,000	85,000	480,000	34
1834, ...	451,000	67,000	518,000	35
1835 to 1836, . . .	671,000	78,000	749,000	50
1837, ...	881,000	140,000	1,021,000	64
1838 to 1841, . . .	850,000	145,000	995,000	58
1842, ...	1,108,000	141,000	1,249,000	69

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* This was a provisional tariff, having for its sole object the increase of revenue, and was limited to alterations in a few articles.

	Anthracite. Tons.	Foreign. Tons.	Total. Tons.	Consumption per 1000 of populat'n.
1843, ...	1,312,000	55,000	1,367,000	74
1844, ...	1,631,000	87,000	1,718,000	90
1845, ...	2,023,000	86,000	2,109,000	108
1846, ...	2,343,000	156,000	2,499,000	125
1847, ...	2,982,000	148,000	3,130,000	152
1848, ...	3,089,000	196,000	3,285,000	156
1849, ...	3,200,000	200,000	3,400,000	156

In this case, it has been necessary to separate the years 1842 and 1843, because of the whole of the latter coming within the action of the tariff of 1842,* the account of the domestic production being made up to the close, instead of the middle of the year, as in the case of imports.

The facts that here present themselves are worthy of careful consideration. When we produced little coal, we imported little, the total consumption being only six tons per thousand of the population. As the production grew, the import grew, and thus, in 1846 and 1847, when we produced *eighty* times as much as in the period from 1821 to 1829, we imported five times more.

From 1829 to 1834, and thence to 1837, the increase of consumption was rapid. Thence to 1841, it diminished ten per cent. In 1842, it was scarcely higher than it had been five years before. In the five years which followed, it rose from 69 to 152 tons, showing a rapid diminution in the quantity of labour required to be given in exchange for it. In 1848, under the action of the tariff of 1846, the production became almost stationary, and the diminished power of consumption is shown in the fact that although the quantity sent to market maintains the same ratio to population, much of it is sold at a loss to the producer.

With every step in the growth of the home production of coal, the money price has steadily diminished. That of a ton of anthracite in 1826, in Philadelphia, was six, eight, and sometimes ten dollars, and yet the whole import was only 970,000 bushels, or about 30,000 tons. In 1846, the price of anthracite was about four dollars, and yet the import was 156,000 tons. It would appear from this, that when a nation is capable of supplying itself, other nations, desiring to sell, must come to them and sell at the lowest price, and the consumption is large; but when it cannot supply itself, it must go abroad to seek supplies, and pay the highest price, and then consumption is small. Applying this to iron, we find that when we had to seek abroad for nearly all our supply, it sold at prices twice or thrice as great as those at which it is now obtained.

In 1846 and 1847, notwithstanding the vast increase in the supply of coal, so great was the consumption that we had to go abroad to make up the deficiency, and to pay the high prices which our own demand largely tended to produce, a state of things which could not have happened had we been prepared to supply the whole demand.

It remains to be seen whether the converse of this proposition may not be true, to wit, that when a nation makes a market at home for nearly all its products, other nations have to come and seek what they require, and pay the highest price; and that, when it does not make a market at home, markets must be sought abroad, and then sales must be made at the lowest prices. If both of these be true, it would follow that the way to sell at the highest prices and buy at the lowest is to buy and sell at home.

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* It came into action on the 30th of August of that year.

COTTON.

IMPORT OF COTTON MANUFACTURE.

Years ending			Per head.	
September 30,	1821 to 1829, average,	$9,454,000		84 cts.
"	1830,	7,862,000	61	76 av.
"	1831,	16,090,000	1·21	
"	1832,	10,399,000	76	
"	1833,	7,660,000	54	
"	1834,	10,145,000	70	
"	1835 to 1841, ... 12,000 — ⅕...	9,600,000		59
"	1842 to June 30, 1843, average,	7,184,000		89
June 30,	1844,	13,641,000		72
"	1845,	13,863,000		71
"	1846,	13,500,000		67½
"	1847,	16,071,000		78
"	1848, ... $18,412,000 — ⅐...	15,582,000		74
"	1849, ... 15,180,000 — ⅙...	12,650,000		56

The number of yards of cloth imported in 10 years is thus given. I have been unable to complete this table, or it should be given in full. I give all I have met with:

1831,	68,577,000
1835,	53,974,000
1836,	56,931,000
1837,	23,774,000
1838,	20,240,000
1839,	42,418,000
1840,	20,011,000
1842–3,	8,936,000
1844–5,	34,500,000
1845–6,	36,800,000

The differences here appear much more striking than in the table above. The diminution of consumption under the free-trade system is very regular, and the increase under protection nearly as much so.

Owing to the variety of cotton goods imported, it is difficult to estimate the weight of cotton contained in them; but, in the following table, I have made a rude estimate, with a view to show the growth of domestic consumption. It must be borne in mind that a large portion of the foreign commodities are of the finer and more costly descriptions, and that the weight is therefore small when compared with the value.

Crop of	Taken by Northern manufacturers.	Taken by Southern manufactur's.	Per head, domestic.	Per head. foreign.	Total, p. head.
1825–6 to 1829–30, average, bales	110,000	......	4 lbs.	1¼ lbs.	5¼
1830–31,	182,000	......	5½	1	6½
1831–32,	173,000	......	5¼	2	7¼
1832–33,	194,000	......	5½	1¼	6¾
1833–34,	196,000	......	5½	0¾	6¼
1834–35,	216,000	......	5¾	1¼	7
1835–36, to 1841–42, average, ...	263,000	......	6½	1	7½
1842–43,	325,000	......	7	0¾	7¾
1843–44,	347,000	......	7¼	1¼	8½
1844–45,	389,000	......	8	1¼	9¼
1845–46,	423,000	30,000	9¼	1¼	10½
1846–47,	428,000	40,000	9¼	1½	10¾
1847–48,	531,000	75,000	12	1½	13½
1848–49,	518,000	100,000	11 3/10	1⅕	12½

In estimating the domestic consumption, I have throughout taken the bale at four hundred pounds, although aware that there has been a gradual increase of the weight. This change would be important to be considered, if it were my object to compare 1847 with the distant year 1831; but it is unimportant when the object in view is the comparison of years which are near together, as is the fact.

The results in this case correspond almost precisely with those obtained from the examination of iron and coal. The home consumption of the crop of 1834–5, per head, was almost fifty per cent. greater than the average of previous years, while the import remained almost undisturbed. Under the Compromise, consumption appears to have remained almost perfectly stationary, the increase of domestic production being compensated by diminished importation. In 1842–3, the consumption per head was scarcely greater than it had been eight years before, when it should have doubled. With the operation of the tariff of 1842, we find the consumption of domestic products 75 per cent. greater, while the import is also almost doubled. It would appear obvious, that the power to obtain clothing in return for labour increased in both protective periods, and diminished with the approach to free trade. With 1848–9, the demand for Northern manufactures diminished; and, as many mills are now closed that were at work but a few months since,* there is reason to believe that the power to obtain clothing in return for labour is in a course of gradual diminution.

A portion of the cotton worked up at home has been exported, and was therefore not consumed at home. To have made allowance for this would have made the table very complicated, and it did not appear to be necessary, as the proportions were well preserved, having been about a million of dollars when the home consumption was 100,000 bales, two millions when it rose to 200,000, three millions out of 300,000, and five millions out of 500,000 bales.

WOOL.

IMPORT OF WOOLLENS.

Years ending				Per head.
September 30,	1821 to 1829, average,		$8,900,000	79 cents
"	1830,		5,766,000	45
"	1831,		12,627,000	95
"	1832,		9,992,000	75
"	1833,		13,262,000	93
"	1834,		11,879,000	82
"	1835 to 1841, av.,	$13,950,000 — ⅕	11,160,000	69
"	1842 to June 30, 1843,		6,300,000	34
June 30,	1844,		9,475,000	50
"	1845,		10,666,000	55
"	1846,		10,089,000	50
"	1847,		10,570,000	51
"	1848,	$15,280,000 — ⅐	13,000,000	62
"	1849,	13,704,000 — ⅙	11,400,000	58

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* Within the last six months there have been been many failures among those engaged in the business; and, in these cases, the mills are not only closed, but likely so to remain.

The import into Cincinnati may be taken as evidence of the course of affairs in the West, and here we have the same result:

1846–7,	12,528 bales.
1847–8,	13,476
1848–9,	9,058

We see, thus, that notwithstanding the extreme lowness of price, the consumption has diminished.

Prior to the passage of the tariff of 1824, the woollen manufacture was in a very depressed condition; and, in 1825, the number of sheep was only fourteen millions,* producing about thirty-five millions of pounds of wool. Thenceforward the number increased, and the crop of 1829, 1830 and 1831, was estimated at fifty millions of pounds, the produce of twenty millions of sheep. At the close of 1834, there had been a further increase,* but to what extent we are not informed; but the value of the woollen manufacture was estimated at 65 millions of dollars against 40 millions in 1831. In 1840, the census returns show but 19,311,000, the number having diminished while the population had largely increased. The depression of 1841–2 was accompanied by the sacrifice of sheep to a considerable extent; yet so rapid was the subsequent change, that the number, in 1845, was estimated at twenty-five millions,† and in 1848 at twenty-eight millions. Ohio had, in 1846, only 2,065,000; but, in 1848, the number had risen to 3,677,000. The number in New York, in 1845, was 6,443,000, and, subsequently to that date, it had largely increased.

The deliveries on the New York canals, and at Pittsburgh, in 1840, were one-fifth of the total production by the census; and, since that date, they are thus stated—‡

1841,	5,094,035
1842,	4,823,881
1843,	5,713,289
1844,	6,798,769
1845,	13,267,609
1846,	12,269,537
1847,	16,325,987
1848,	11,665,540

Even this does not mark the whole increase, as the woollens factories of the interior of New York and other States absorb much that would otherwise pass on the canals, destined for distant places.

With these very imperfect data, we may now form some estimate of the consumption of this most important commodity. In estimating the weight contained in the cloth imported, I have taken it as being worth one dollar per pound, and therefore the figures which represent the *value* per head, give also the *weight* per head.

Average of	Millions of sheep.	Pounds of wool.	Imports. Pounds.	Total, domestic manufacture.	Per head.	
						Total, dom. & for.
1821 to 1829,	15	37,500,000	2,000,000	39,500,000	3.50	4·29
1830,	20	50,000,000	669,000	50,669,000	3·90	4·35
1831,	21	52,500,000	5,622,000	58,122,000	4·40	5·35
1832,	22	55,000,000	4,042,000	59,062,000	4·40	5·15
1833,	23	57,500,000	950,000	58,450,000	4·15	5·08
1834,	24	60,000,000	2,341,000	62,341,000	4·30	5·12
1835 to 1841,	22	55,000,000	10,000,000	65,000,000	4·	4·69
1842 and 1843,	19	48,000,000	7,500,000	55,500,000	3·	3·34
1844,	22	55,000,000	23,800,000	78,800,000	4·10	4·60
1845,	24	60,000,000	28,800,000	88,800,000	4·50	5·05
1846,	26	65,000,000	16,500,000	81,500,000	4·10	4·60
1847,	27	67,500,000	8,460,000	75,960,000	3·70	4·20
1848,	28	70,000,000	11,380,000	81,380,000	3·90	4·52
1849,			17,860,000			

By the tariff of 1846, the duty on many descriptions of foreign wool was raised, while that on cloths was lowered; which accounts for the great diminution in the quantity imported.

That this is very incorrect there is no doubt; but it will enable us to make some comparison between the increase of imports as compared with the diminution of home production. From 1830 to 1834, the production grew, and the import was large. From 1835 to 1841, the former largely diminished in its ratio to population; and the foreign cloths *paid for* in that period fell to sixty-nine cents per head. In the revenue period, from June, 1841, to June, 1843, production was very small, and the import fell to about thirty-four cents per head. In the four succeeding years, both grew rapidly. Under the tariff of 1846, there is a slight increase of import; but the home manufacture has diminished. The power to obtain cloth in exchange for labour has, therefore, invariably grown in the protective periods, and diminished with every approach to free trade.

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* Pitkin's Statistics, p. 488.

† Patent Office Report, 1847, p. 213.

‡ Merchant's Magazine, Vol. XXI., p. 217.

PRODUCTION OF LEAD.

The arrivals at New Orleans have been as follows:—

	Pigs.		Pigs.		Pigs.
1828–'29,* average,	164,000	1834,	202,000	1845,	732,000
1830,	254,000	1835 to 1841,	298,000	1846,	785,000
1831,	151,000	1842,	473,000	1847,	659,000
1832,	122,000	1843,	571,000	1848,	606,000
1833,	180,000	1844,	639,000	1849,	508,000

We see here that the average of the seven years, from 1835 to 1841, was little greater than the product of 1830. The temporary tariff of September, 1841, raised the duty to five cents per pound, and production rose to almost 800,000 pigs. Since the passage of that of 1846, it has fallen to 500,000, and for this diminished supply there is little demand.

We have thus far seen that the application of labour and capital to the opening of mines, the erection of furnaces, mills, and factories, and to the conducting of such works, was arrested at the close of 1834, and that it did not recommence until after the passage of the tariff of 1842. We have also seen that it increased rapidly from 1843 to 1847, that it became stationary in 1848, and is now retrograding. Both seek to be employed, and if denied employment at home they must seek it abroad. If employed at home, there is a tendency to concentration and combination of action. If sent abroad, there is a tendency to dispersion, with diminished power of combination. One of these courses tends to increase the reward of labour, the other to diminish it. With a view to ascertain the effects of the two systems, I give,

First, The amount of IMMIGRATION, as showing how far the wages of labour tended to invite the people of foreign nations to come and reside amongst us, and,

Second, The amount of SHIPPING built, to show how far the establishment of an import trade of MEN, the cargo that pays the highest freights, tended to increase the facilities provided for the export of merchandise:—

IMIGRATION.

1821 to 1829,	12,000	1842–3,	88,133
1830,	27,158	1844,	74,607
1831,	23,074	1845,	102,415
1832,	45,287	1846,	147,051
1833,	56,547	1847,	234,742
1834,	65,335	1848,	229,492
1835 to 1841,	67,520	1849,	299,610

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* Those are the earliest years for which I have met with any accounts.

	Total shipping built. tons.	Per thousand. of population.		Steamers built.	Per million of population.
821 to 1829, average,	90,000	8	1823–29	35	3·1
1830,	58,000	4·5		37	3
1831,	85,000	6·4		34	2·6
1832,	144,000	10·5		100	7·2
1833,	161,000	11·4		65	4·6
1834,	118,000	8·1		68	4·7
1835 to 1841,	108,000	6·6		92	5·7
1842–3,	91,000	5		108	5·8
1844, (nine months,)	103,000=137,000	7·2		163=217	11·4
1845,	146,000	7·5		163	8·5
1846,	188,000	9·4		225	11·5
1847,	243,000	11·8		198	9·7
1848,	316,000	15		175	8·3
1849,	256,000	11·8		208	9·6

We see here a large increase in the years from 1830 to 1834, followed by a gradual diminution until we reach 1843, after which the rise is very rapid.

On a former occasion, I stated that immigration was not affected by changes of policy until after the lapse of more time than was required for other of the subjects we have had under consideration. A change tends to raise or depress the value of labour—to raise or depress the price of men—and after a rise has been effected, men come to offer their labour for sale. It will be seen that the number in 1831 was less than in 1830, and that it was not until 1832 that it rose. With the exception of 1835, it continued to rise until 1836–7, when it reached 78,083, after which it fell. In 1843–4, it felt the effect of the disastrous year 1842, and the number was only 74,000; and it was not until 1844–5 that it began to grow rapidly. At the present moment it is large, because of the great demand for labour in the years that have passed, but it is now feeling the effect of the present diminished demand, and consequent fall of wages.

Such, likewise, is the case with shipping. The first effect of a rise of wages is to increase the power to obtain the necessaries of life, and it is not until after that shall have been done that the power to consume foreign commodities tends materially to increase. The increase of ship-building did not commence until 1832. It fell off in 1838. Thus far the movement is precisely the same as that of immigration. It recommenced in 1844, somewhat in advance of immigration. It is now maintained by that, and that alone, and when that is falling off, it must fall too. The close connection between the power to secure valuable return-freights and the power to build ships, is shown in the following table, in which the movements of both are shown:—

	Immigration.	Shipping built.
1821–31, aver.,	14,000	87,000*
1832,	45,000	144,000
1833,	56,000	161,000
1834,	65,000	118,000
1835,	58,000	60,000
1836,	62,000	113,000
1837,	78,000	122,000
1838–42, aver.,	76,000	120 000
1843,	75,000	64,000
1844,	74,000	140,000
1845,	102,000	146,000
1846,	147,000	188,000
1847,	239,742	246,000
1848,	229,492	316,000
1849,	299,610	256,000

The amount of shipping at present *employed* is, probably, less than it was two years since. A vast quantity now lies idle in the ports of California, and it is to replace it that ships are now being built.† How far the immigration

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* Average of last two years only 71,000.

† The reason for now building ships may be found in the fact stated in the following paragraph, which I take from one of the papers of the day:—

"It is a remarkable fact, that of all the ships arrived in the bay of San Francisco from of the ensuing year is likely to afford inducements for increasing our tonnage may be judged from the following comparative view of the arrivals at New York in the last four months of the two past years, as compared with the present one, furnished by the Commissioners of Immigration:—

	1847.	1848.	1849.
September, October, November, and December,	44,137	61,810	48,715

Instead of an increase of about forty per cent., there is a diminution of above twenty per cent.; and that this decrease must go on, will be obvious from the facts contained in the following paragraph, which I take from the *New York Herald:*—

> "EMIGRATION TO EUROPE.—The fine and well-tried packet-ship, Ashburton, sailed yesterday for Liverpool, having on board 104 passengers, who having taken a glimpse at 'the land of liberty,' and not finding it the El Dorado they expected, came to the conclusion of returning homeward. They were principally natives of Ireland. The Jamestown and Constellation sail to-morrow with similar cargoes."

Every man who thus returns prevents the emigration of a hundred that would otherwise have crossed the Atlantic.

I propose now to show the tendency to DEPOPULATION, as marked by the sale of PUBLIC LANDS, compared with immigration:—

	Land sold. Acres.	Per head of Immigration.		Land sold. Acres.	Per head of Immigration.
1821–29, average,	825,000	69	1843,	1,605,000	21
1830,	1,244,000	46	1844,	1,754,000	23
1831,	1,929,000	88	1845,	1,843,000	18
1832,	2,777,000	61	1846,	2,263,000	15
1833,	2,462,000	44	1847,	2,521,000	11
1834,	4,658,000	70	1848,	2,747,000	13‡
1835–41, average,	7,150,000	105†	1849, not obtained.		‡
1842,	1,129,000	11			

At no period of our history has the process of depopulation proceeded with the vigour that is now manifested. Emigrants from Europe are now returning home, disappointed; while the emigration to the West is almost marvellous. The quantity of land sold does not, as I understand, give any clue to the quantity occupied, because of the facilities afforded by the law to squatters.

It is estimated, we are told, that from thirty thousand to fifty thousand have been added to the population of Iowa within *six weeks*, and that, by the close of navigation, the population will have increased one-fourth since the 1st of September. Such is the course of things in regard to all the new States, west and south-west; and, if to this be added the emigration to California, it may be doubted if the population of the old States will be as large at the close of the year as it was at the commencement.

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the Atlantic ports, some of which have been anchored there for near four months, not one is advertised for a return trip home. This, of course, is easily accounted for. There is no freight to come back, but passengers and gold dust, and as these mostly prefer the steamers, the ships have nothing to do but to wait and see what circumstances may do for them. Meanwhile, the absence of so many vessels, and the improbability of an early return, are having a strengthening influence upon home freights. Rates ere long must rapidly advance; and were it spring time now, instead of fall, I think it would be difficult to negotiate engagements at present prices."

A vast amount of capital has been locked up in ships that are idle, and others must now be built to take their place. If they were back again, ship-building would now be entirely suspended.

† To this must be added the occupation of Texas and Oregon.

‡ To these must be added the occupation of California.

PRODUCTION OF FOOD.

The power to supply food to those who come to live amongst us, and also to send it abroad in exchange for other commodities, may be taken as some evidence of the productiveness of labour applied to its cultivation, and I therefore give the following statement of the export and import of wheat and flour, in bushels of the former:—

	Exports.	Imports.	Population by immigration.	Depopulation.
1821–29, average,	4,400,000		12,000	69
1830, . .	6,100,000		27,000	46
1831, .	9,441,000		23,000	83
1832, . .	4,407,000		45,000	61
1833, .	4,811,000		56,000	44
1834, . .	4,113,000		65,000	70
1835, . .	3,914,000	811,000	63,000	105 Texas and Oregon.
1836, .	2,529,000	650,000		
1837, . .	1,610,000	4,000,000		
1838, .	2,247,000	927,000		
1839, . .	4,712,000		72,000	
1840, .	11,198,000			
1841, . .	8,447,000			
1842, .	7,237,000		88,000	11
1843, . .	4,519,000			21
1844, .	7,751,000		74,000	23
1845, . .	6,365,000		102,000	18
1846, .	13,061,000		147,000	15
1847, . .	26,312,000	20,000	234,742	11 Mexico and California.
1848, .	12,631,000	369,000	229,000	13
1849, . .	9,500,000		299,610	

It is here shown that, notwithstanding the rapid growth of manufactures in the period from 1830 to 1834, the export of food was not only maintained but it increased. The tendency to depopulation had diminished, and the power to obtain iron to assist in the work of cultivation had increased. Thereafter, with the increasing tendency to depopulation, as immigration and manufactures and the power to obtain iron became stationary, the production of food so far diminished that the price rose to such a point as to render it profitable to import it; and it may be doubted if, notwithstanding the increase of numbers, the whole quantity produced between 1835 and 1840 was greater than in the five previous years. From 1843, we find it gradually increasing, notwithstanding the vast amount of labour employed in producing coal, iron, cotton and woollen goods, ships, steamboats, &c. How great was the increase may be seen by the following comparison of the returns under the census of 1840, and the Patent Office estimates for 1847:—

	Wheat.	Barley.	Oats.	Rye.	Buckwh't.	Ind. Corn.	Totals.
1840, . .	84,823,000	4,161,000	123,071,000	18,645,000	7,291,000	377,531,000	615,522,000
1847, . .	114,245,000	5,649,000	167,867,000	29,222,000	11,673,000	539,350,000	867,826,000
Increase,	29,422,000	1,488,000	44,797,000	10,577,000	4,382,000	161,819,000	252,304,000

We have here an increase of no less than 40 per cent. in seven years, during which the increase of population was but 23 per cent. Equally divided among the whole people, there would be 36 bushels per head in the one case, and 42 in the other; and thus we see that the increase in the facility of obtaining the machinery of cultivation is attended by increase in the product of cultivation; while increase in the power to produce cotton and woollen cloth enables the farmer to obtain for each bushel produced a larger amount of clothing than before.

The net export is as follows, per head of the population:—

1821 to 1829,	·39	1834,	·29	1845,	·38
1830,	·47	1835 to 1841,	·25	1846,	·65
1831,	·71	1842–3,	·31	1847,	1·28
1832,	·32	1844,	·41	1848,	·60
1833,	·35			1849,	·45

We see, thus, that with the exception of the year of the famine in Ireland, it has never reached a bushel per head, and that it has invariably been largest in the periods of protection—those periods in which the largest and most valuable home freights could be obtained. With the approach to free trade the power to maintain trade has diminished; and as we have receded from it and have approached protection, it has increased with the growth of immigration.

The effect of this is seen in the constantly increasing quantity of Canadian produce that passes through New York on the way to England. It is stated that while in 1848 only 50,000 barrels of Canadian flour passed through New York, the quantity in 1849 that came through by the single route of Oswego was 200,000 barrels, and that there were, in addition, 623,000 bushels of wheat. This, being of foreign production, has, of course, to be deducted from the amount of exports; but if the import of MEN should diminish, freights outward must rise, and the tendency to send flour or wheat to market through the ports of the Union will pass away.

What was, prior to the census of 1840, the production of grain, it is not now possible to ascertain; but we know that, in the period from 1830 to 1834, prices were moderate and consumption was large. It is not probable that it was as much per head as was given by the census for 1840, because the increased facilities of transportation in the latter period enabled the farmer to give more of his labour to cultivation. If it be taken at thirty bushels per head, it will probably not vary greatly from the truth. In the following period, production was so small that prices rose to a point that permitted importation from Europe; and the advance so far exceeded that of wages as to cause almost universal disturbance between employers and workmen. It may be doubted if it then exceeded twenty-five bushels per head. By degrees, the tendency to depopulation diminished; and, in 1840, we find it thirty-six bushels, to rise to forty-two in 1847. The same causes that diminished production in 1836 are now again at work. Immense numbers of people are in motion changing their places of labour; and those that have gone to California, New Mexico, the Salt Lake, &c., can scarcely be taken at less than a hundred thousand. These men are not now producers; and thus, while we have this year added to our population 280,000 persons from abroad requiring to be fed, we have exported great numbers who have not only ceased to be producers, but have taken with them vast quantities of food. It may fairly be doubted if the product of this year, per head, exceeds thirty-eight to forty bushels; and hence it is, in part, that the prices are even thus far maintained. Nevertheless, there is a gradual tendency to a fall of prices, showing a power of consumption diminishing in a greater ratio than that of production.

That the power to obtain food in return to labour diminished greatly between 1835 and 1839 must be within the recollection of all who were familiar with the events of that period. Never has there been experienced in this country so much anxiety relative to the result of the harvest as was felt in 1838. From that time, the tendency to dispersion diminished; and, in 1839 and 1840, labour commanded good supplies of food, as is obvious from the fact that immigration rose, attaining, in 1841–2, the height of 101,000. The value of labour and food had, however, by that time greatly fallen, and, in 1842, it fell to a lower point than had been known for twenty years, the consequence of which was, a great diminution in the immigration of the two succeeding years. Thence to 1847, the increase was very rapid; but, in the following year, it became stationary, and is now falling rapidly.

We may now proceed to the next great article of food—

SUGAR.

	Foreign.	Crop of Louisiana.	Total.	Per head
1821 to 1829	57,000,000	45,000,000	102,000,000	9
1830	96,000,000	48,000,000	144,000,000	11
1831	69,000,000	75,000,000	144,000,000	10½
1832	48,000,000	75,000,000	123,000,000	9
1833	97,000,000	70,000,000	167,000,000	12
1834	115,000,000	75,000,000	190,000,000	13
1835 to 1841, 138,000,000 — ½	110,000,000	77,000,000	187,000,000	11½
1842 and 1843	114,000,000	115,000,000	229,000,000	12½
1844	182,000,000	105,000,000	287,000,000	15
1845	114,000,000	200,000,000	314,000,000	16
1846	108,000,000	186,000,000	294,000,000	14¾
1847	232,000,000	146,000,000	372,000,000	18
1848	244,000,000	240,000,000	484,000,000	23
1849	242,000,000	220,000,000	467,000,000	21½

We see here a rapid increase of consumption from 1829 to 1834, and that it then diminished in actual amount until 1844, and that the average of 1846–7 and 1847–8 was but little less than double that of 1842–3. The power to consume foreign sugar has kept steady pace with the increase in the home supply, giving a total consumption for the year 1847–8 exceeding, by more than 150 per cent., that of the period from 1821 to 1829, and almost double that of 1842 and 1843.

The power of producing food thus kept pace with the power to apply labour and capital to the conversion of food and other raw materials into iron, cloth, and other commodities requisite for the use of man; and thus both kept pace with the tendency to the concentration of population. With every increase in the power of production, consumption grew, and the labourer received larger returns for his labour, producing a tendency to immigration. With every diminution in the power of production, the power to pay for foreign commodities diminished, and hence it was that the early years of the approach to freedom of trade were signalized by the creation of a vast debt, the interest on which has now to be paid.

INTERNAL COMMERCE.

We may now examine how far the power to maintain internal trade waxed or waned with the increased or diminished power of production, for which purpose, I give the TOLLS on the three principal routes between the east and west, and the TONNAGE that passed through the Louisville and Portland Canal. In examining them it will be proper to bear in mind that the receipts from immigrants from Europe, in the last two years, have been prodigious, notwithstanding which there has been a large decrease in the two from which I have been able to obtain complete returns. It follows, of course, that the receipts from merchandise have greatly diminished in their ratio to population. Should immigration continue to fall off, the deficiency in the receipts from these works will become of serious importance to the treasuries of both New York and Pennsylvania.

TOLLS.

	New York Canal.	Per 1000 of population.	Baltimore and Ohio Railroad.	Per 1000 of population.	Penn. Canals.	P. 1000 of population.	Ton'ge, L. & P. Canal
1826,	$844,000	$78					
1827,	880,000	74					
1828,	829,000	68					
1829,	815,000	65					
1830,	1,042,000	81					
1831,	748,000	56	$31,000				76,000
1832,	1,112,000	81	137,000	9·9			70,000
1833,	1,388,000	98	196,000	13·9	148,000	10·5	170,000
1834,	1,381,000	95	205,000	14·1	306,000	21·1	162,000
1835,	1,482,000	99	263,000	17·6	679,000	45·4	200,000
1836–41	1,655,000	102	349,000	21·5	1,020,000	60·7	223,000
1842,	1,749,000	97	426,000	23·6	903,000	50·0	172,000
1843,	2,081,000	112	575,000	31·0	1,014,000	55·0	232,000
1844,	2,446,000	128	658,000	34·6	1,164,000	61·5	304,000
1845,	2,646,000	135	718,000	37·7	1,154,000	59·1	318,000
1846,	2,756,000	138	881,000	44·0	1,357,000	68·0	341,000
1847,	3,635,000	177	1,101,000	54·0	1,587,000	78	307,000
1848,	3,252,000	155	1,213,000	60·0	1,550,000	73·3	341,000
1849,	3,266,000	150	1,241,000	57·2	1,580,000	72·4	

The LAKE TONNAGE in 1834 was	28,521 tons.
In 1841 it had risen to only	56,252
1846 it was	106,836
1847, ...	139,399
1848, ...	166,400

We thus see while it increased but 28,000 tons in the first period of seven years, it has gained 110,000 in the last, and nearly all of this since 1843. At the present time there is no tendency to increase. The great support of this trade is found in the transport of immigrants, and any diminution therein must be followed by a diminution in the tonnage.

In 1842, the STEAMBOAT TONNAGE on the western rivers was but 126,278, and the tendency was downward, as the business was very small, as may be seen from the number of trips made by certain boats:—

	Boats.	Trips.		Boats.	Trips.
1839, ...	35 . . .	141	1841, ...	32 . . .	162
1840, ...	28 . . .	147	1842, ...	29 . . .	88

In 1846, only four years afterwards, it had almost doubled, the amount being 249,055. In the two succeeding years it increased rapidly, as may be seen by the following statement of boats built at Cincinnati:—

1845–6, 5657 tons. | 1846–7, 8268 tons. | 1847–8, 10,232 tons.

In the last year the tendency has been downward; the boats built being only 7281 tons; and the number of arrivals being only 3239, against 4007 in the previous year.

We thus meet everywhere the same results. From 1835 to 1843, scarcely any increase; but from that date every thing starts into life and grows with rapidity. Arrived at 1848 and 1849, all tends downwards, notwithstanding the great increase of population.

TRADE OF NEW ORLEANS.

The value of the principal products of the interior received at New Orleans, from 1841–2, to the present time, has been as follows:—

	Total.		Total.
1841–2,	$45,716,045	1845–6,	$77,193,464
1842–3,	53,782,084	1846–7,	90,033,000
1843–4,	60,094,716	1847–8,	70,779,000
1844–5,	57,166,122	1848–9,	81,889,000

The value doubled in six years, but it is now falling, notwithstanding the large increase of western population in the last two years.

NEW YORK

Being the place supposed to be most benefited by perfect freedom of trade, we may profit by an examination into the effect of the various systems, as exhibited in the number of houses built in that city, as compared with the population of the country, of which it is the commercial capital. The earliest account I have been able to obtain is that of 1834:—

	Houses built.	Per million of population.		Houses built.	Per million of population.
1834,	877	60	1845,	1980	101
1835–41, average,	948*	58	1846,	1910	95
1842,	912	50	1847,	1828	90
1843,	1273	69	1848,	1191	60
1844,	1210	64	1849,	1496	68

The rapid extension of Brooklyn has been since 1842. Had it been possible to obtain a similar account of that city, which is but a suburb of New York, the difference would have been much more striking. We have here, however, all that is needed to show that houses in New York grew with the growth of factories and furnaces, and diminished, as they now diminish, with the cessation of their operations.

PHILADELPHIA.

It is deemed desirable to give the movement of PHILADELPHIA as the distributor of a large portion of the coal and iron of the Union, and as the centre of an important portion of the commerce between the East and the West; but it is impossible to obtain the number of houses built, because of no such record having been preserved, by several of the districts, until quite recently, and to give the movement of the population in the several periods, it is necessary to take the returns under the State censuses, which are septennial, and those made under the authority of the federal government, which are decennial. The former returns give only the number of taxables, but by multiplying them by five the population was always found to be nearly obtained, and I have done so throughout, although it is said that the proportion of non-taxables has within a few years so far increased as to make it necessary to multiply by five and a half. How far that is the case will be determined by the census of next year.

		Taxables.	Population.	Per cent. per annum.	Ratio to population of the Union, in thousands to millions.
1821.	State census	27,892	139,460		15·3
1828.	"	37,313	186,565	increase 4·9	15·2
1830.	U. S. "		188,958	" ·6	14·6
1835.	State "	49,847	249,235	" 6·6	16·7
1840.	U. S. "		258,000	" ·8	15·1
1842.	State "	51,063	255,315	decrease ·5	14·1
1849.	" "	77,285	386,425	increase 7·4	17·7

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* Of these the number built in 1835 and 1836, before the Compromise began to have much effect, was greater than in any three of the other years.

It appears obvious that the productive power of the country diminished from 1835 to 1841, and still more rapidly in the two following years; and therefore it was that the power to pay for foreign commodities diminished so much that consumption could be maintained only by obtaining goods on credit, to be paid for at some future time, and bearing interest until paid. The following table will show the VALUE OF EXPORTS, being the amount of merchandise received from abroad in payment for merchandise and freights.

	Value of exports, per head.	Debt contracted.	Debt paid off.
1821, to 1829, aver.,	$5	*	
1830,	4·32		
1831,	6·10		
1832,	5·51		
1833,	6·20		
1834,	7·08		
1835 to 1841, aver.,	6·02	$170,000,000	
1842–3,	4·48	Interest unpaid.	
1844,	5·03		Interest.
1845,	5·16		
1846,	5·75		$5,000,000
1847,	7		5,000,000
1848,	5·88	8,000,000	
1849,	5·19	22,000,000	

With each step in the diminution of the power to produce, there is diminished power of purchase, and hence the necessity for obtaining goods on credit. So it was from 1835 to 1841, and the result was almost universal bankruptcy. So is it at present, and the goal towards which we are moving would seem to be the same. The amount now required for the payment of interest is about $14,000,000 per annum, being $2,000,000 more than was required for the same purpose two years since.

In the following table are given two species of articles, of one of which (flax) a large part was freed from duty by the Compromise tariff, and so continued until September, 1841, while the other was subject to the same provisions as manufactures of other kinds. It will be seen how small is the difference of movement, proving that the amount of importation depends upon the *power* to import, and is but slightly affected by the question of duty.

	Manufactures of flax.	Per head.	China and earthenware.	Per head.
Sept. 30, 1821–29, average,	$3,333,000	29	$1,160,000	10
" " 1830,	3,011,000	23½	1,259,000	10
" " 1831,	3,790,000	28½	1,624,000	12½
" " 1832,	4,073,000	30	2,024,000	15
" " 1833,	3,132,000	22	1,818,000	13
" " 1834,	5,485,000	38	1,591,000	11
" " 1835–41,	$6,350,000—⅕=5,080,000	.31	1,950,000—⅕=1,560,000	9½
" " 1842 to June 30, 1843, average,	2,900,000	15½	1,300,000	7
" " 1844,	4,492,000	23½	1,632,000	8½
" " 1845,	4,923,000	25	2,166,000	11
" " 1846,	4,972,000	25	2,201,000	11½
" " 1847,	5,152,000	25	2,320,000	11
" " 1848,	$6,600,000—⅐=5,660,000	27	2,600,000—⅐=2,228,000	10
" " 1849,	5,700,000—⅙=4,750,000	22	2,231,000—⅙=1,860,000	8½

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* In 1829, the debt of the Federal Government was $58,000,000. In the year 1833–4, it was reduced to $4,000,000, and in the following year to $37,000. As much of this was held abroad, the amount paid off in this period was probably equal to that of States and corporations transmitted abroad at the same time.

We see here the importation of linens increasing under the tariff of 1828, diminishing from 1835 to 1841, and still further diminishing in the closing years of the Compromise tariff. Thenceforward it rises rapidly, notwithstanding the increasing tendency to substitute manufactures of cotton for those of flax.

In regard to China and earthenware, we see the same course of events. The importation rises under the tariff of 1828, diminishes under the Compromise, and still further diminishes in 1842–3, when it begins to rise under the tariff of 1842, but never attains the same height as in the previous period.

FRENCH MERCHANDISE.

		Per head.	
1822 to 1829, average,	9,130,000	81	Silks subject to duty.
1830,	8,240,000	64	"
1831,	14,737,000	1·11	"
1832,	12,754,000	92	"
1833,	13,962,000	1·00	Silks free.
1834,	17,557,000	1·21	"
1835 to 1841, average 25,200,000 — ⅕,	20,160,000	1·24	"
1842 and 1843, average,	14,500,000	80	Duties reimposed.
1844,	17,952,000	94	"
1845,	22,069,000	1·18	"
1846,	21,600,000	1·08	"
1847,	24,900,000	1·21	"
1848, 28,000,000 — ⅐,	24,000,000	1·14	"
1849, 23,233,000 — ⅙,	19,360,000	90	"

We have here the same results as elsewhere. The commodities we receive from France are almost altogether articles of luxury. In the period between 1829 and 1834, there is a gradual increase, until, in 1834, the consumption exceeds by fifty per cent. the average from 1821 to 1829. Thenceforward the amount remains almost precisely the same until we reach 1841. In the period ending June 30, 1843, it falls to the level of fifteen years before. In the following year, it begins to rise, and, by 1847, attains the level of 1834. In 1848 it falls to $1·14. In 1849, the amount, *paid for*, falls almost to the level of 1842–3.

The remarkable part of this table is, the small increase produced by the abolition of duty upon silks, and the fact that the import rapidly increased after the duties had been reimposed.

TEA AND COFFEE.

The following table represents the quantities of tea and coffee retained for consumption rather than the actual consumption of the respective years, and the great irregularity of amount is more apparent than real. It is here shown, that the average consumption of tea in the years 1833 and 1834, the last two years in which the tariff of 1828 was in activity, was greater than that of the ensuing ten years, and that, notwithstanding the great increase of population, it did not rise above that quantity until 1845. Of coffee the consumption per head was little greater from 1835 to 1841 than the average of 1833-34.

		Tea.	Per head.		Coffee.	Per head.
1821 to 1829,	average, pounds,	6,000,000	·53	pounds,	24,000,000	2·13
1830,		6,800,000	·53		38,300,000	3·00
1831,		4,600,000	·35		75,000,000	5·60
1832,		8,600,000	·63		36,000,000	2·60
1833,	(Duty free,)	12,900,000	·91	(Duty free,)	75,000,000	5·30
1834,		13,100,000	90		44,000,000	3·00
1835 to 1841,	12,600,000 — ⅕,	10,080,000	·62	89,000,000 — ⅕,	71,200,000	4·40
1842–1843,	"	13,000,000	·71		107,000,000	5·60
1844,	"	13,000,000	·68		149,000,000	7·85
1845,	"	17,100,000	·88		94,000,000	4·82
1846,	"	16,800,000	·84		124,000,000	6·20
1847,	"	14,200,000	·70		152,000,000	7·25
1848,	"	21,000,000	1·00		145,000,000	6·90
1849	"	13,213,000	·61		151,000,000	7·00

The great question to be settled is—"Which is the system under which the labourer is enabled to obtain the largest quantity of food, fuel, clothing, machinery of production and transportation—protection or free trade?" The former is denounced as a "war upon labour and capital," and yet it seems clear that the power to consume all those things for which men are willing to labour, and in the production of which other men are willing to invest capital, was greater under the two protective tariffs than at any other period, and that it is now gradually, but certainly, diminishing. Wages are falling, and the result is, a diminution of immigration, and an increasing tendency to emigration, both accompanied by a decrease of productive power, to be followed by a futher decline of wages, and a further increase of emigration. Shipping has grown with immigration, and freights have fallen, but, with diminution in the former, the latter must rise, and many of the commodities that we have recently exported will have to remain at home, and thus there will be a diminished power of importation, accompanied by a diminution of the public revenue, the improvement of which was one of the objects proposed in the adoption of the policy of 1846. How the different systems have thus far operated upon the receipts from import duties will be seen by an examination of the following table.

CUSTOMS REVENUE,

Derived from the import of Merchandise paid for with our Exports.

			Per head.
1821 to 1829, average,		18,500,000	1·69
1830 to 1834,		24,000,000	1·75
1835 to 1841, average,	$17,170,000		
Less one-fifth, for goods bought in exchange for certificates of debt,	3,404,300		
		13,736,000	0·84½
1842 and 1843,		16,400,000	0·90
1843–4,		26,183,000	1·38
1844–5,		27,528,000	1·41
1845–6,	26,712,000		
Add duty on $5,000,000 of debts redeemed,	1,500,000		
		28,212,000	1·41
1846–7,	23,747,000		
Add duty on $5,000,000 of debts redeemed,	1,500,000		
		25,247,000	1·23
1847–8,	31,757,000		
Deduct duty on the amount of debt created, say $8,000.000,	2,400,000		
		29,357,000	1·40
1848–9,	28,346,000		
Debt created, $22,000,000—duty,	6,600,000		
		21,746,000	1·00

It is here seen, that the importation of duty-paying articles increased so much under the tariff of 1828, that the revenue per head was greater than in the previous period, although the duty on railroad iron and on tea and coffee was abolished in 1832. The case would, however, appear much stronger were allowance made for the movements of specie. The period from 1821 to 1829 was one of great exhaustion, and the exports of specie exceeded the imports by an average of almost one million a year; whereas, the imports of the following period exceeded the exports by an average of five millions a year. The total difference is therefore six millions a year. Had this been imported, as in the previous period, in the form of duty-paying articles, and had the duties on tea and coffee been retained, the revenue would have exceeded two dollars per head.

With the next period, we find a great decrease in the revenue, indicating a diminished power to pay for foreign merchandise, resulting from diminished productiveness in the application of labour at home.

With 1842–3, there is a trifling increase, resulting from the action of the tariff of 1842, which was in operation during the last nine months of this short period.

From June, 1843, to June, 1846, the amount rises to an average of $1·40, and maintains itself during the first three years of the period. The passage of the act of August, 1846, connected with the warehousing system, tended to reduce the amount received into the treasury in the last year of this period.

With 1848, we find the average maintained, without, however, the increase that might naturally have been looked for in consequence of the great demand for breadstuffs, consequent upon the failure of the potato-crop in Ireland.

In the last year (1848–9), being the second in which the tariff of 1846 was in action, the amount of revenue derived from merchandise *paid for by our exports* has greatly declined.

In comparing the receipts under the tariff of 1842 with those of that of 1828, it is necessary to bear in mind, that, in the latter period, before merchandise could be purchased, there was a sum of ten millions of dollars to be provided for payment of interest on the debt incurred in the free trade one. At thirty per cent., that would have given three millions of dollars, or about fifteen cents per head.

The total amount of interest now to be paid is about fourteen millions of dollars, and this claim must be discharged by our exports before merchandise can be purchased: the consequence of which must be, a great deficiency in future revenue.

With these facts before us, we may now examine the different revenue systems that have been presented for consideration and adoption. By the English school it is held that, as cultivation first commences on the richest soils, agricultural labour is then largely paid, and the diversion of any portion of the population to mechanical pursuits is attended with loss. Observation, however, shows that the first cultivator commences, invariably, on the poorer soils, and that the rich lands of river bottoms, the underlying beds of marl, limestone, &c., are only brought into cultivation at a later period. The English school holds that mechanical labour must necessarily, because of the abundance of fertile land and consequent profitable application of labour, be dearer in a new than in an old country, and that competition can be maintained only by aid of laws restricting importation. It holds that double loss results from such restriction, labour being withdrawn from the profitable pursuit of agriculture to be given to the comparatively unprofitable one of converting agricultural products into the various commodities required for the use of man: also, that these persons, thus unprofitably employed, are maintained out of taxes imposed upon the consumers of their commodities, and that every dollar paid to the government on the import of articles, in part manufactured at home, is accompanied by the payment of five, ten, fifteen, or twenty dollars paid to a selected class, thus living by taxation imposed on their neighbours for their support. This idea may be found fully carried out in a report of the late Secretary of the Treasury, for 1846. It is there shown, that all the coal consumed in the Union costs the consumer $1·60 *more* than it would do under a system of free trade, although the average price of all the coal sold at Pittsburgh, Wilkesbarre, Mauch Chunk and Pottsville did not, at that moment, exceed $1·50.

To relieve the consumer from this double taxation, the English school holds that all duties for revenue should be imposed upon articles that cannot be produced in the country, such as tea, coffee, &c., and that all those that can be produced in it, should be admitted free. Such is the theory that dictated the tariff of 1846, and the subsequent efforts to amend it by the imposition of a duty on tea and coffee.

The other school holds that articles which can be produced at home should be protected, while those which cannot should be admitted free of all duty, and such was the view which prompted the abolition of all duties on tea and coffee, by the act of 1832.

By the working of the two systems, their value is to be judged. In the first eighteen months of the tariff of 1832, tea and coffee were admitted free of duty, with a loss to the revenue of nearly three and a half millions of dollars per annum, to which was to be added a great loss of duty on silks, also free; but the protection of manufactures generally was maintained, and the consumption of foreign merchandise liable to duty continued so great, that the revenue increased more rapidly than the population. In the succeeding period, protection gradually diminished, with a certainty of its total disappearance as the Compromise bill should come fully into action, and the productiveness of labour became so far diminished, that the payment into the Treasury for duties on foreign merchandise fell to an average of less than one-half of what it had been from 1829 to 1834.

With the tariff of 1842, it rose gradually, and with a steady upward tendency; while, as that of 1846 comes into operation, there is a movement directly the reverse.

PUBLIC EXPENDITURE.

When men live in connection with each other, they are enabled to protect themselves, and have little need of fleets or armies for their protection. A few officers can then perform the duties incident to the maintenance of government. They then exercise, in a high degree, the power of self-government.

When they are widely separated from each other, they are unable to protect themselves, and have need of fleets and armies for their protection. Many officers are then required for the performance of the duties of government, and the power of self-government is diminished.

With the increase of fleets and armies, and of government officials, the cost of government is increased.

The policy of 1828, and that of 1842, tended, as we have seen, to concentration of population and combination of exertion, and, therefore, to increase in the power of self-government. That of 1833 tended, and that of 1846 tends, as has been seen, to dispersion of population and diminution in the power of combination, and, consequently, to diminution in the power of self-government. What has been the effect of the two systems on the public expenditure I propose now to show. The true "war upon labour and capital," is that which increases the cost of government, and thus diminishes the power to accumulate capital, to be used in aid of labour. Every step towards diminution in the expenditure for that purpose tends to raise wages; and every one tending towards its increase, tends equally towards diminution in the power of both labourer and capitalist to command the necessaries, conveniences, or luxuries of life.

From 1821 to 1829, the total expenditure of the government, exclusive of payments on account of debts previously existing, was $117,000,000, being an average of	$13,000,000
From October, 1829, to October, 1834, the period of the tariff of 1828, the total expenditure, exclusive of such payments, was 84,000,000, being an average of	16,800,000
From October, 1834, to October, 1841, the period of the Compromise, during which we colonized Texas and Oregon, the total expenditure was $223,000,000. In this period there were no payments on account of the old debt, the whole having been extinguished at the close of 1834. The average of this period of dispersion was	31,700,000
From October, 1841, to June 30, 1843, was a period of exhaustion, and the wants of the government were such as precluded expenditure. The average was	20,400,000
That of 1843–4 was	20,600,000
That of 1844–5,	21,400,000
With 1845–6, we recommence the system of dispersion. The occupation of Texas had brought with it war with Mexico, and the expenditure rose to	26,800,000
In 1846–7, dispersion increased, and large armies were sent to Mexico for the purpose of compelling the cession of California, the consequence of which was that the expenditure rose to	59,400,000
In 1847–8, it was	45,000,000
And a large amount remained unsettled.	
In 1848–9,	46,798,000

As a necessary consequence of this system, the public debt, which was extinguished under the system of concentration, grew rapidly under that of dispersion, to be again diminished under that of concentration, and now again increased under that of dispersion.

PUBLIC DEBT.

1821,	$89,987,428		
1829,	58,421,414	Decrease in eight years,	$31,566,014
1834,	4,760,082	" five years,	53,661,332
1834–5,	37,733	Extinguished.	
1841,	6,737,398	Increase in five years,	6,737,398
June 30, 1843,	26,898,958	" two years,	20,161,560
" 1845,	17,093,794	Decrease in two years,	9,805,164
" 1848,	48,526,379	Increase in three years,	31,433,585
" 1849,	64,704,693	" one year,	16,178,314

CREDIT.

With every step in the diminution of debt, credit grows; with every one in the increase thereof, credit diminishes.

The policy of 1828 increased production and raised wages. The power to pay for foreign commodities was great, and the revenue was large, the consequence of which was the extinction of the public debt, at the close of 1834. Credit was therefore high.

The policy of 1832–3 diminished production and lowered wages. Credit was high, and we obtained cloth and iron in exchange for certificates of debt; the consequence of which was, that, at the close of 1841, the foreign debt was two hundred millions, much of the interest of which we were unable to pay.

Under the Revenue tariff of 1841–2, public and private revenue almost disappeared, and bankruptcy and repudiation were the necessary consequence.

Under the tariff of 1842, production increased and wages rose. The power to pay for foreign commodities increased, public and private revenue grew, and we commenced to diminish our debt, the consequence of which was the perfect re-establishment of credit.

Under the tariff of 1846, production diminishes and wages have fallen. The power to pay for foreign commodities is diminishing, and we are again buying cloth and iron, and settling for them with certificates of debt, the amount of which transmitted to Europe in the two years ending June 30, 1849, is estimated at thirty millions of dollars; all of which we have, in that time eaten and drunk, and used, but have yet to pay for.

With a view to present at a glance the results obtained by this examination of the policy of the Union, I give the following diagrams, in which the movement under the various systems is distinctly shown.

No. I. gives the nine years from 1821 to 1829, when the tariff of 1828 came into operation.

No. II.—The years of the protective tariff of 1828, from 1829 to 1834.

No. III.—Those of the Compromise tariff, from 1834 to 1841. In this case, it will be observed that I have in all cases deducted from the consumption of imported commodities one-fifth, that being the quantity obtained in exchange for certificates of debt.

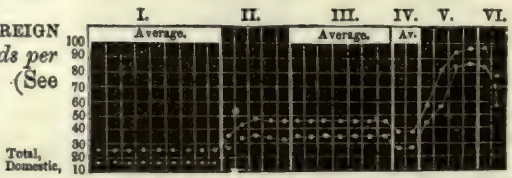
No. IV.—This represents the movement under the strictly revenue clauses of the Compromise tariff. In some cases, as will be seen, one year, and in others two years are included in this period. The returns for coal, railroad and canal tolls, &c., are made from the civil year, whereas those connected with commerce are made for the fiscal year ending June 30. The effect of taking one year, is to throw into No. III., the period of the Compromise, one-half portion of this period, and the other portion into No. V., the period of the tariff of 1842.

No. V.—The tariff of 1842.

No. VI.—That of 1846.

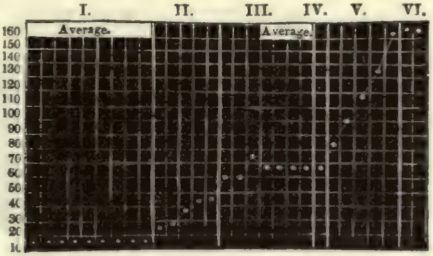
In the diagrams representing the movements of iron, coal, cottons and woollens, the consumption is given in two sets of lines; one representing the domestic products consumed, and the other the total quantity. An examination of them will show, that the amount of consumption is dependent upon that of domestic production, and that any deficiency therein is *never* compensated by increase of importation, as it should be, if the theory were true upon which the tariff of 1846 is based.

CONSUMPTION OF IRON, FOREIGN AND DOMESTIC, *in pounds per head of the population.* (See page 11.)

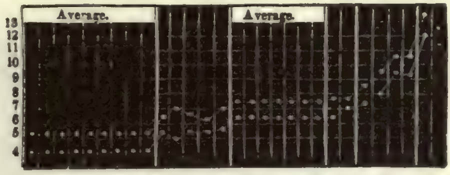


Railroad iron was exempted from duty in the third year of the second period, and from that time consumption ceased to increase.

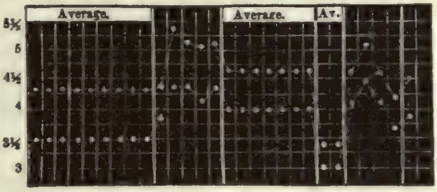
CONSUMPTION OF COAL, FOREIGN AND DOMESTIC, *in tons per thousand of population.* (See page 13.)



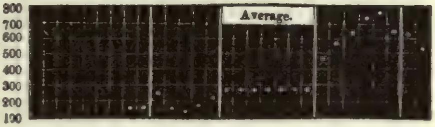
CONSUMPTION OF COTTON GOODS, FOREIGN AND DOM. *in pounds per head of the population.* (See page 15).



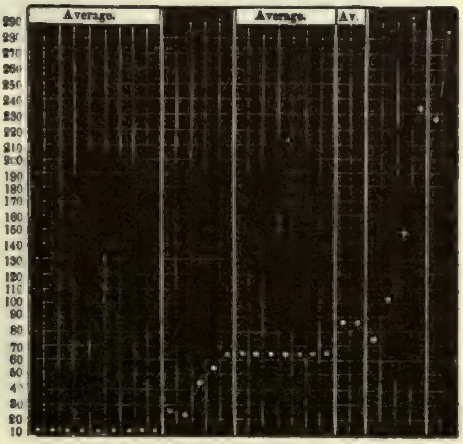
CONSUMPTION OF WOOLLENS, FOREIGN & DOM., *in lbs. per head of population.* (See p. 17.)

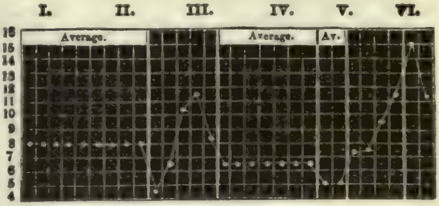


PRODUCTION OF LEAD, *in thousands of pigs.* (See page 18.)

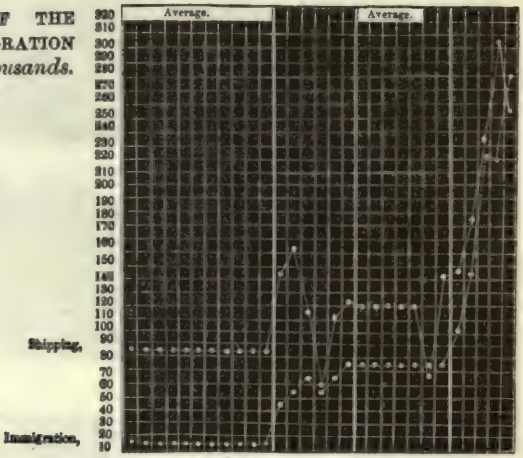


POPULATION, *as shown in the increase of immigration, in thousands.* (See page 18.)

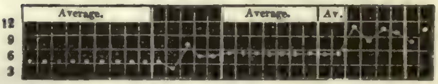




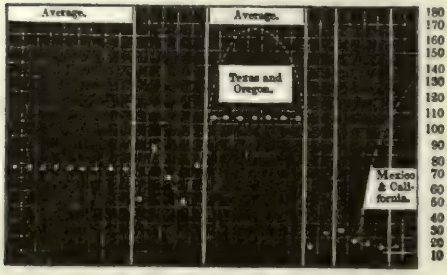
Shipping Built, *in tons, per thousand of population.* (See page 19.)



Comparative View of the Movement of Immigration and Shipping, *in thousands.* (See page 19.)

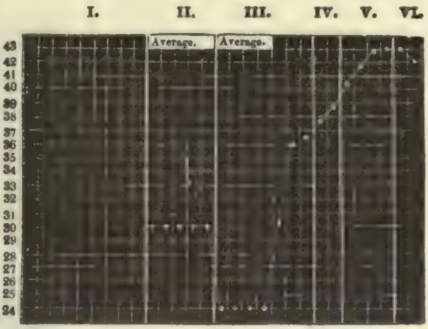


Number of Steamers built, *per million of population.* (See page 19.)

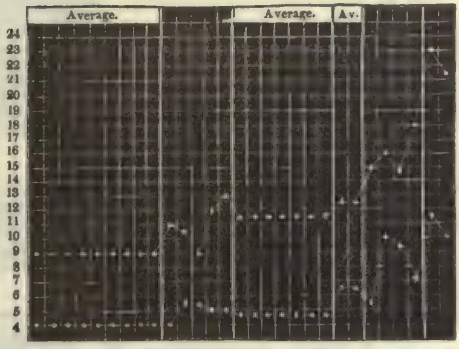


Depopulation, *as shown in the occupation of* **Public Lands**, *as compared with immigration.* (See page 20.)

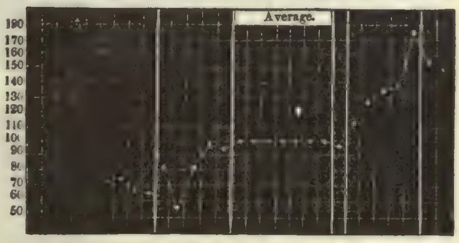
Production of Grain, *in bushels per head of population.* (See page 21.)



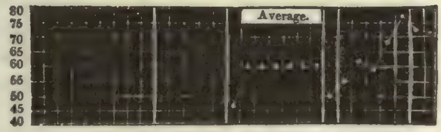
Production and Consumption of Sugar, Foreign and Domestic, *in pounds per head of population.* (See page 23.)



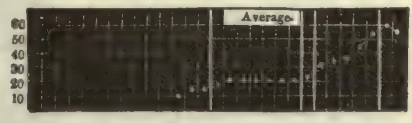
Tolls on the New York Canals *in dollars per thousand of population.* (See page 24.)



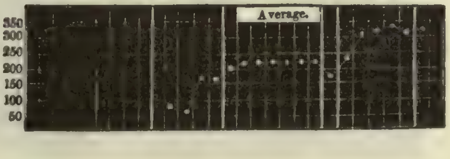
Tolls on Pennsylvania Public Works, *in dollars per thousand of population.* (See page 24.)



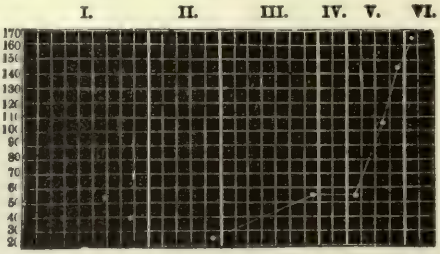
Tolls on Baltimore and Ohio Railroad, *in dollars per thousand of population.* (See page 24.)



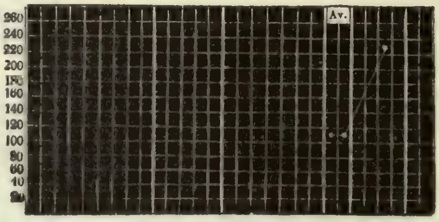
Trade on Louisville and Portland Canal, *in thousands of tons* (See page 24.)



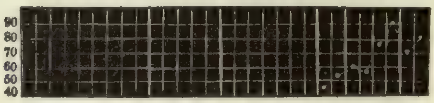
LAKE TONNAGE, *in thousands of tons.* (See page 24.)



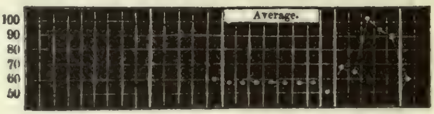
WESTERN STEAMBOAT TONNAGE, *in thousands of tons.* (See page 24.)



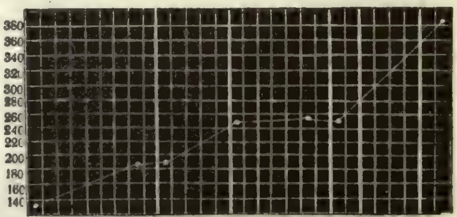
VALUE OF PRODUCE RECEIVED AT NEW ORLEANS, *in millions of dollars.* (See page 25.)



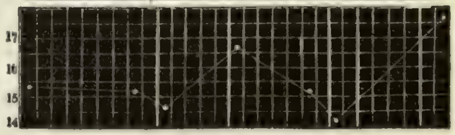
HOUSES BUILT IN NEW YORK, *per million of population.* (See page 25.)



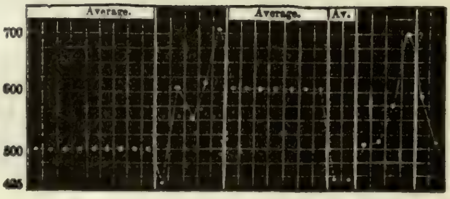
POPULATION OF PHILADELPHIA, *in thousands.*

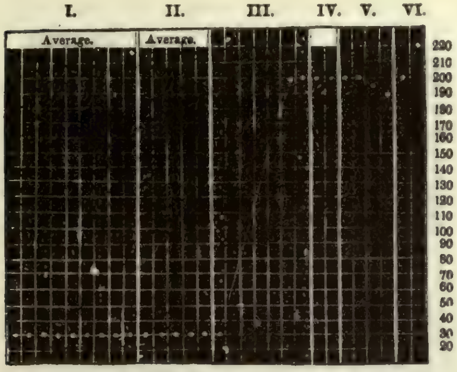


RATIO OF PHILADELPHIA TO THE POPULATION OF THE UNION, *in thousands to millions.* (See page 25.)

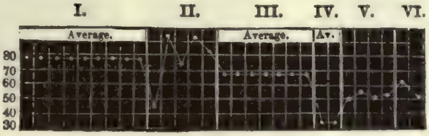


VALUE OF EXPORTS, *per head of population in dollars.* (See page 25.)

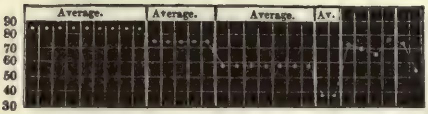




Foreign Debt, *in millions of dollars.* (See page 25.)

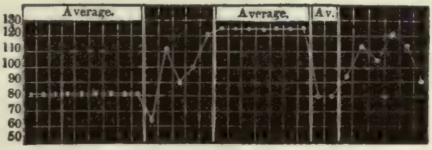


Imports of Foreign Woollens, *paid for by our exports, in cents per head of the population.* (See page 16.)

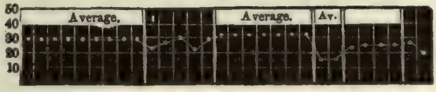


Imports of Foreign Cotton goods, *paid for by our exports, in cents per head of the population.* (See page 15.)

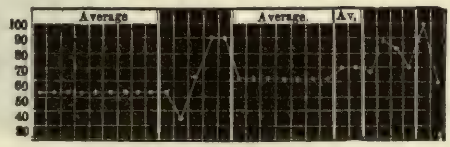
Of the four next following, the first two, French Merchandise and Manufactures of flax, were in a great degree freed from duty in 1832, silks and linens being declared absolutely free. The duty was reimposed in 1841. The others, Tea and Coffee, were free from duty in 1832, and so remain. The first two are given chiefly for the purpose of showing how small is the increase of consumption consequent upon a remission of duty, compared with that which, in every case, we have seen to follow the production of a commodity at home.



French Merchandise, *paid for in cents per head of the population.* (See page 26.)

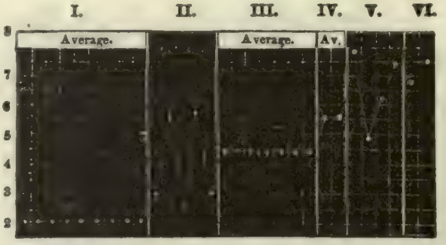


Manufactures of Flax, *in cents per head of the population.* (See page 26.)

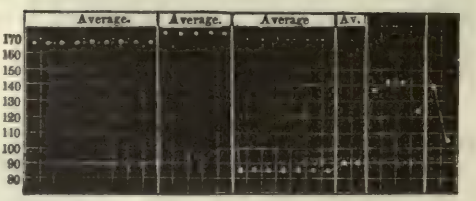


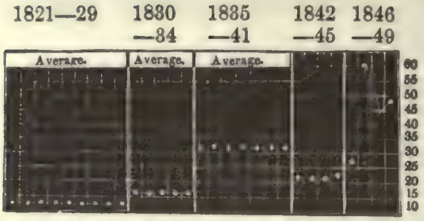
Consumption of Tea, *in hundredths of pounds per head of the population.* (See page 27.)

Consumption of Coffee, *in pounds per head of the population.* (See page 27.)

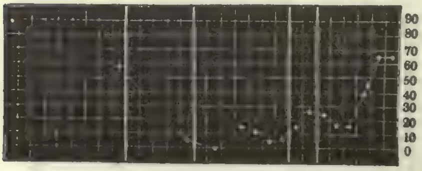


Revenue from Customs, *in cents per head of the population.* (See page 28.)



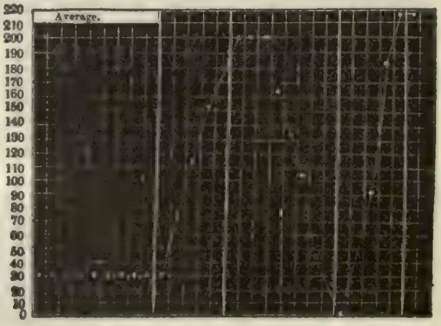


Public Expenditure, *in millions of dollars.* (See page 30.)

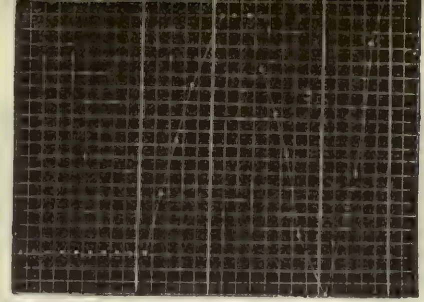


Public Debt, *in millions of dollars.* (See page 31.)

National Credit, *in millions of dollars.* (See page 31.)

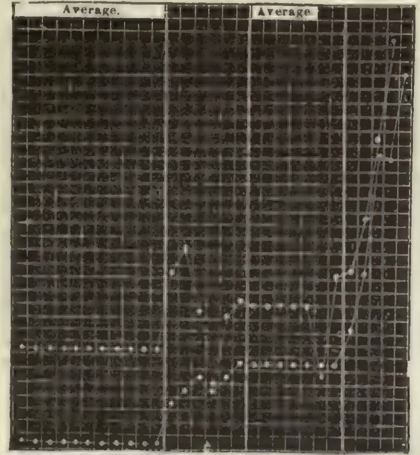


NATIONAL CREDIT.

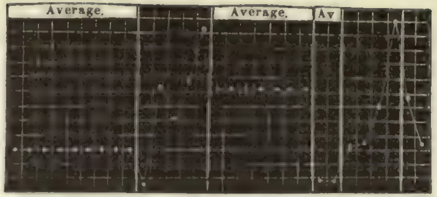


Power to maintain External Commerce.

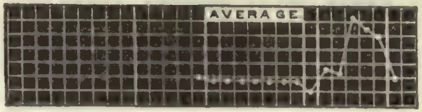
Shipping and Immigration.



Value of Exports.

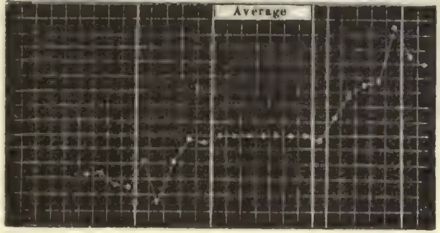


Growth of New York.

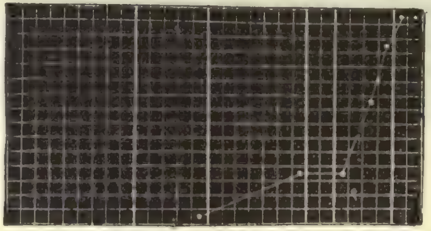


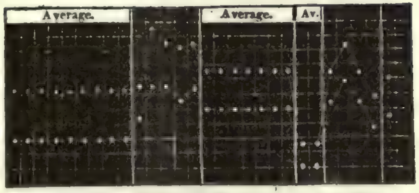
Power to maintain Internal Commerce.

Tolls on New York Canals.

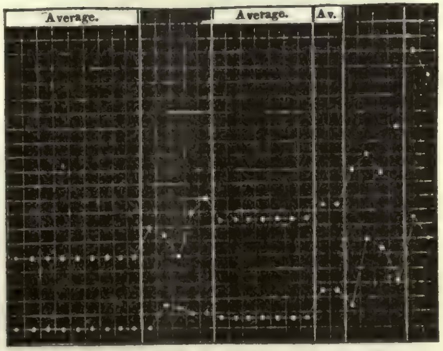


Lake Shipping.

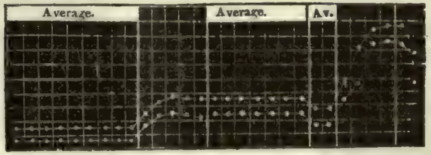




WOOLLENS.



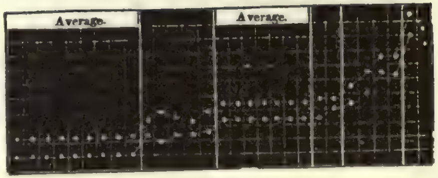
SUGAR.



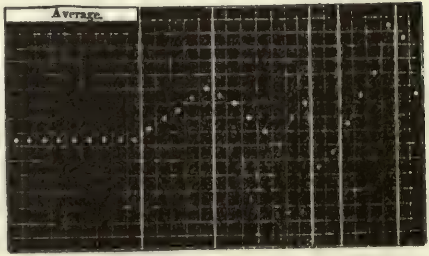
IRON.

POWER
TO
OBTAIN FOOD
AND
CLOTHING
IN
EXCHANGE
FOR
LABOUR.

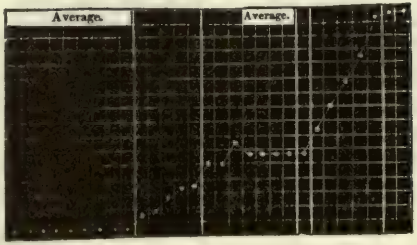
POWER TO
OBTAIN
MACHINERY
IN AID OF
LABOUR.



COTTONS.



GRAIN.



COAL.

CHAPTER FOURTH.

HOW PROTECTION TENDS TO INCREASE PRODUCTION AND CONSUMPTION.

Two systems are before the world: on the one hand, that which is denominated protection, and on the other that which is denominated free-trade. Each claims to be the one under which the labourer receives the largest reward for his exertions, and it is for the purpose of testing the validity of those claims that I have given the numerous tables contained in the last chapter, by aid of which I now propose to examine this question in its bearings on the various portions of society. It is the great one for the Union, for *in it are included all others.* The discord now existing between the North and the South has its origin in the diminished value of the returns to slave labour. If it can be shown that by one and the same system the interests of the North and the South, the free and the enslaved, can be promoted, harmony may take the place of discord. The differences in regard to internal improvements by aid of the general government have their origin in a necessity for scattering ourselves prematurely over large surfaces. If it can be shown that by one and the same system the North, the South, the East, and the West, can be enriched, and all enabled to make roads for themselves, harmony may be restored. The discords so frequently existing between the employer and the employed, the capitalist and the labourer, the banker and his customers, may all, as I think, be traced to one and the same cause, and if that can be removed, harmony and good feeling may be restored and maintained. Every question affecting the peace and tranquillity of the Union, or the people of the Union, will be settled whenever we shall have determined for ourselves the one great question—"Which is the system under which the labourer obtains the largest reward for his labour?" When that shall come to be done, it will be seen that there is a perfect harmony of interests throughout the Union, and among all its people.

Before proceeding further, I would urge upon the reader a careful examination of those tables, bearing always in mind the precise position of the question that is to be discussed. It is *admitted* by all that protection tends to increase the domestic production of the commodity protected. That, therefore, does not require to be proved. It is *asserted* that protection tends to raise the price of the protected article and to diminish the power of consuming it, whereas the removal of protection diminishes its cost and increases the power of consumption. That is denied, and *that it is which requires to be proved.* If this assertion be true, then the power of consumption must diminish with protection. We see, however, that the consumption of iron, of coal, of cotton, and of wool, increased with great rapidity in the years between 1830 and 1834, and in those from 1843 to 1847. If it be true, the quantity of men and things passing on the roads and canals, and the number of exchanges to be performed in our cities, should diminish with protection, whereas they increased with great rapidity in both of the above-named periods. If it be true, then it must reduce the wages of labour, and thus diminish the inducements for foreigners to come among us and occupy our vacant lands, whereas immigration increased with great rapidity under both protective tariffs. If it be true, then it must diminish our power to trade with foreign nations, and the inducements to build ships, whereas shipping grew with great rapidity in both those periods.

If, now, we examine the period between 1834 and 1843, it is impossible to avoid being struck with the fact that the power to consume foreign products not only did not increase as domestic production diminished with the approach to free trade, but that it was actually less in quantity than under the system of protection. The building of furnaces and rolling-mills was stopped, yet we consumed less foreign iron than before. So was it with cotton goods, the import of which fell from above *fifty* millions of yards down to *eight* millions. We killed off our sheep, but the importation of foreign cloth diminished. We prevented increase in the domestic consumption of cotton, but shipping did not grow with the increased necessity for depending on foreign markets. We adopted a course that we were assured would raise the wages of labour, but immigration ceased to grow. So is it now. The building of cotton-mills is stopped, but our whole import of last year, in which we incurred a debt of twenty-two millioms, but little exceeded a pound per head. We have closed furnaces and rolling-mills, but we consume far less iron than before. We have abolished the system that was regarded as "a war upon labour and capital," yet immigration is diminishing and there is no demand for capital. Steam-engines are idle, and there is no demand for new ones, except for a few steam-vessels. Railroad tolls are diminishing, and steamboats on the Western waters are idle. Iron is low in price, but it is not wanted. So is coal. So are cottons and woollens. So is almost every description of merchandise. The power of consumption is diminishing, because the demand for labour and capital has largely diminished.

The power of the people to pay taxes for the support of government is dependent upon their power to consume commodities that are taxed, and if protection diminished wages, it must of course diminish revenue; but when we examine the facts, it is shown that, notwithstanding a great increase of the free-list, the revenue increased under the tariff of 1828, and fell off so much afterwards that the government was compelled almost to beg for loans in the markets of Europe. With the tariff of 1842 it grew rapidly, but with that of 1846 it is diminishing in actual amount per head, notwithstanding the purchase of more than twenty millions of goods on credit in a single year. If that debt were now called for, the revenue of the current year would not exceed that of 1842.

The question to be settled is—"Does the power to import grow with the diminution in the power to produce that follows the withdrawal of protection?" If it does, the facts must prove it. There is no question that the power to produce iron and cloth grows with protection. That is, as I have already said, admitted by all. Were it not, the facts prove it. The burden of proof lies, then, with the opponents of protection. To establish their system they must show that the power of production and consumption grows now as it grew three years since, and that it grew from 1835 to 1843 as it grew from 1830 to 1834.

The first thing that must strike all who examine the tables in the last chapter is the universally diminutive amount of foreign products received in exchange for the vast bulk of cotton, grain, provisions, &c., sent to foreign countries. Thus in 1842–'43 the import of cotton cloth was much less than a yard per head of the population, and less probably than one-fourth of a pound of cotton. In other years we see that it has varied from two to four yards, but in no single year has our consumption of cotton that has passed through foreign looms materially exceeded a pound per head.

The returns from Europe received for all our products may be summed up nearly as follows: fifty cents' worth of iron, half a pound of wool, about as much flax, one or two ounces of silk, and China and earthenware equivalent to a tolerable cup and saucer, to which may be added the *twisting and weaving* of a pound and a half of cotton, per head. To obtain all this we give a large portion of the land and labour of the cotton-growing States, and of those employed in raising tobacco and rice, together with as much food as would feed men, women, and children who could twist and weave five times the cotton, wool, silk, and flax we import, and the use of more capital in horses, wagons, railroads, engines and cars, steam and canal boats, ships, wharves and warehouses, than would be necessary for machinery to convert all our cotton into cloth, and make more iron than has ever been made in Britain, and almost as much labour as would do the work—*and withal, we are brought in debt.* It is certainly using great means for the accomplishment of small ends.

Every portion of the tables tends to prove that while the amount of foreign commodities received in payment for our exports increased in the period from 1829 to 1834, it diminished in that from 1835 to 1841—still further diminished in the years 1842 and 1843, and then rose rapidly from 1844 to 1847, since which time it has declined. These facts seem to warrant the conclusion that the ability to consume foreign products, by both labourer and capitalist, increased under the two tariffs of protection, and declined with every approach to free trade. If, now, we desire to understand how such should be the case, it may be useful to examine how it is with individuals, and, doing so, we shall find that the man who produces most largely of the articles of prime necessity is always the one who can indulge most freely in the luxuries of life; and *vice versa*, that the farmer who obtains from his land the least food, is the one who can least indulge in clothing, coffee, tea, or books.

What is further to be remarked is, that any material increase in the consumption of foreign products, consequent upon the approach to freedom of trade, has appeared to be followed by exhaustion and bankruptcy, while every increase in production at home, consequent upon protection, has been but the preparation for a new and larger increase—sometimes so great as to cause a feeling of apprehension that it was unnatural, and could not be maintained. To what extent this could be carried has never been ascertained, for the only two periods of perfect protection have each been limited to four years. To understand the cause of this, it would be well for the inquirer to examine for himself the facts that become obvious to sight, whenever and wherever a factory or furnace has recently been set in operation. Those presented at Graniteville, S. C., are thus described by a highly intelligent correspondent of "The New York Herald:"—

> "The effect of the erection of this manufactory in the neighbourhood is almost magical. Hundreds have found employment among the poor of the white inhabitants, who were, before, almost destitute. A Methodist and a Baptist church have been erected. A free school has been opened, and about 70 pupils attend. There is a large and convenient hotel, where I am writing this letter. The town is laid out in streets, and already over 80 dwelling-houses, very neat and comfortable, with gardens attached, have been put up, which rent from $16 to $25 per annum. The girls in the factory are, some of them, very pretty, and are well dressed; and, from what I can learn, the change in their appearance is extraordinary. The superintendent, Mr. George Kelly, who came out here and placed the factory in operation, went with me through the manufactory and town. He informed me that he only brought with him four or five experienced persons from the

North—all the rest in the factory, about 300, men, women, and children, are from the Sand Hills and immediate vicinity, where they, one year ago, were earning nothing. They make now from four to five dollars, (males.) females from three to four dollars, and children one to two dollars per week. Some of the girls, who are now well dressed and appear very intelligent, a year ago were at work in the field, hoeing corn, or ploughing with a horse; others were idle; now they reside in comfortable boarding-houses, where they pay $1·50 per week for board, and can lay up money. Their education is attended to, and they are on the road to become useful and productive citizens. In fact, since Christmas, over forty marriages have taken place between the young male and female operatives in the factory. They were brought together in it, became attached, and got married. In such a case, the wife generally leaves the factory to attend to the housekeeping arrangements of the new couple, and the husband continues in the factory, which gives them an independent support.

"The grounds around the factory are laid out with a great deal of taste, and I have not seen, in a long while, a more prosperous and thriving place. New houses are going up every week. The applications for work are double what they can possibly employ. They could obtain, in the district, 400 male and female operators, who are without any work, if they could give them employment."

The following account by Mr. Bryant, Editor of "The Evening Post," is descriptive of facts presented by a mill recently erected in Barnwell District, S. C.:—

"The girls of various ages, who are employed at the spindles, had, for the most part, a sallow, sickly complexion, and in many of their faces I remarked that look of mingled distrust and dejection which often accompanies the condition of extreme, hopeless poverty. 'These poor girls,' said one of our party, 'think themselves extremely fortunate to be employed here, and accept work gladly. They come from the most barren parts of Carolina and Georgia, where their families live wretchedly, for hitherto there has been no manual occupation provided for them, from which they do not shrink as disgraceful, on account of its being the occupation of slaves. In these factories, negroes are not employed as operatives, and this gives the calling of the factory girl a certain dignity. You would be surprised to see the change which a short time effects in these poor people. They come bare-footed, dirty, and in rags; they are scoured, put into shoes and stockings, set at work, and sent regularly to Sunday-school, where they are taught what none of them have been taught before—to read and write. In a short time, they become expert at their work; they lose their sullen shyness, and their physiognomy becomes comparatively open and cheerful. Their families are relieved from the temptations to theft and other shameful courses which accompany the condition of poverty without occupation.' "

He adds that "at Graniteville, in South Carolina, about ten miles from the Savannah river, a little manufacturing village has lately been built up, where the families of the *crackers*, as they are called, reclaimed from their idle lives in the woods, are settled and white labour only is employed. The enterprise is said to be in a most prosperous condition."

"The buildings are erected here more cheaply," he continued; "there is far less expense in fuel, and the wages of the work-people are less. At first, the boys and girls of the 'cracker' families were engaged for little more than their board; their wages are now better, but they are still low. I am about to go to the North, and I shall do my best to persuade some of my friends, who have been almost ruined by this Southern competition, to come to Augusta and set up cotton mills."

The labour employed in building these mills was clear profit. The men and their families were there, and they had to be supported by somebody, whether they worked or not. All the labour employed in working the mills is profit. The people have begun to produce. From unproductive consumers they have become productive consumers. In their former condition they could consume scarcely any clothing, or utensils requiring iron for their manufacture, or furniture, or books, or newspapers—scarcely any thing, indeed, but food. Having become productive, *the whole surplus* may go to the purchase of other things than food, and thus is made a market for cloth and iron and other commodities, that before had no existence. *Every producer is a consumer to the whole extent of his production*, and by enabling these poor people to produce more, the planter makes a market on the land for the products of the land, to the extent of the whole excess of production. The more that is produced, the more *must* be consumed.

This assertion may at first appear to be one of doubtful truth, yet a little examination will, I think, suffice to establish its perfect correctness. The man who earns six dollars a week, lays by one of them, which he carries to the saving-fund, which lends it and other similar dollars to some one who desires to build a house. He pays it out to workmen who purchase with it food and clothing, and thus is that surplus dollar consumed. The capitalist, with his savings, builds houses, or ships, or factories, and the workmen whom he employs purchase food and clothing, and the use of houses, with his money. The average consumption of a year always is *and must be* equal to the average production, and if we desire to know the extent of the one we have but to ascertain that of the other.

In 1839 we imported forty-three millions of yards of cotton cloths of various kinds, the consumers of which were customers to the planter to the extent of eleven millions of pounds of cotton, or less than 28,000 bales, being as much as would be worked up by twenty-eight mills of moderate size, or fourteen of larger size. To produce those mills in any single cotton-growing State would require no effort whatsoever, and when produced it would be found that they would be all profit, for it would be attended with not the slightest diminution in the amount of agricultural production. The labourers are there, and a large portion of their time is absolutely waste. The horses and wagons are there, to a great extent unemployed. The timber is there, encumbering the best lands of the plantation. The men and the horses must be fed, and the wagons must be kept in order. Make a market for this waste labour, and the labourers will consume more food, but the chief increase of expenditures will be in clothing, thus making a market for cotton—in houses, making a market for stone and lumber—in furniture, for which lumber will be required—in books and newspapers, making a market for rags—and the cloth-makers, and carpenters, and masons, and cabinet-makers, and paper-makers, and printers, will want cloth, and shoes, and houses, making a further market for cotton and leather, and lumber and stone. Exchanging thus on the spot, each and every man would be a producer, whereas when exchanges are made at great distances, the transporters and exchangers are more numerous than the producers, and as consumption *must* go to the extent of production, and *can* go no further, we may now see why it is that consumption tends to increase so rapidly when men work in combination with each other.

In four years we erected mills that worked up 300,000 bales of cotton, or eleven times as much as was contained in all the cloth imported in 1839. To have created treble that number would have required no effort, nor would it have been attended with any loss of agricultural products, for the labour was being wasted in every county of the South and West: and to carry them on would now be attended with no diminution in the product of food or cotton, for treble the labour required for a factory is now being wasted in almost every county of the Union, and in *every one* south of New England. To the labour-power of men and horses, and women and children, now absolutely unemployed, let us add the quantity that is wasted on the road, and to that let us add the manure now wasted on the road, and then we may form an estimate, but even then a very insufficient one, of the increased product that would have resulted from the creation of those mills. Let us then reflect that all these people are now fed, and that their surplus earnings would be applicable to the purchase of other things than food, and we may then see what would be the extent of the market thus made on the land for the products of the land.

A great error exists in the impression now very commonly entertained in regard to national division of labour, and which owes its origin to the English school of political economists, whose system is throughout based upon the idea of making England "the workshop of the world," than which nothing could be less natural. By that school it is taught that some nations are fitted for manufactures and others for the labours of agriculture, and that the latter are largely benefited by being compelled to employ themselves in the one pursuit, making all their exchanges at a distance, thus contributing their share to the maintenance of the system of "ships, colonies, and commerce." The whole basis of their system is *conversion* and *exchange*, and not production, yet neither makes any addition to the amount of things to be exchanged. It is the great boast of their system that the exchangers are so numerous and the producers so few,* and the more rapid the increase in the proportion which the former bear to the latter, the more rapid is supposed to be the advance towards perfect prosperity. Converters and exchangers, however, must live, and they must live out of the labour of others: and if three, five, or ten persons are to live on the product of one, it must follow that all will obtain but a small allowance of the necessaries or comforts of life, as is seen to be the case. The agricultural labourer of England often receives but seven shillings a week, being the price of a bushel and a half of wheat.

Were it asserted that some nations were fitted to be growers of wheat and others grinders of it, or that some were fitted for cutting down trees and others for sawing them into lumber, it would be regarded as the height of absurdity, yet it would not be more absurd than that which is daily asserted in regard to the conversion of cotton into cloth, and implicitly believed by tens of thousands even of our countrymen. The loom is as appropriate and necessary an aid to the labours of the planter as is the grist-mill to those of the farmer. The furnace is as necessary and as appropriate an aid to the labours of both planter and farmer as is the saw-mill, and those who are compelled to dispense with the proximity of the producer of iron, labour to as much disadvantage as do those who are unable to obtain the aid of the saw-mill and the miller. The loom and the anvil are, like the plough and the harrow, but small machines, naturally attracted by the great machine, the earth, and when so attracted all work together in harmony, and men become rich, and prosperous, and happy. When, on the contrary, from any disturbing cause, the attraction is in the opposite direction, and the small machines are enabled to compel the products of the great machine to follow them, the land invariably becomes poor, and men become poor and miserable, as is the case with Ireland.

To those who doubt the extent of the loss resulting from this unnatural division of labour, I would recommend a visit to any farm at a distance of thirty or forty miles from a furnace or a factory, that they may there, on the ground, satisfy themselves of the fact. They will there see days perpetually wasted for want of means of occupation—and other days on the road carrying to market small amounts of produce—and general listlessness resulting from the want of stimulus to activity, on the part of the men, while children, male and female, are totally unemployed, and the schoolmaster remains abroad for want of means to pay him when at home. As a general rule, our farmers attach scarcely any value to time. They go to a distant market in preference to selling at a nearer one, when the difference of price to be obtained upon their few pounds of butter, or baskets of vegetables, appears utterly insignificant compared with the loss of time and labour, and they do this because labour is to so great an extent totally valueless. Let the inquirer look to these things for himself, and let him then add the enormous proportion of the labour that is misemployed in badly cultivating large surfaces instead of small ones—in keeping up fences and roads entirely disproportioned to the product of the land—and finally let him add the waste of intellect from the want of proper instruction and frequent communication with their neighbour men—and then let him determine if the loss is not *five times over* as great as would pay for all the cloth and iron—raw material included—consumed upon the farm. Place the mill there, and all this is saved. The farmer and his horses and wagon are employed in hauling stone and timber for the mill and for houses, and his children find employment in the mill, or in the production of things that can be used by those who work in the mill, and *all* their extra earnings may go for cloth and iron, *for food they had before.* I say all, for with the mill come improved roads, and the facility of sending to market the many things for which a market on the land cannot as yet be made.

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* "Out of 3,400,000 families in Great Britain in 1831, but 960,000 were engaged in agriculture, the work of production. Between 1831 and 1841 the number of adult males increased 630,000, but the number of those employed in agriculture diminished 19,000. The town population, that which lives by the work of conversion and exchange, is steadily increasing in its ratio to the producing population, and as a necessary consequence there is a steady increase of poverty, vice, and crime.

The mill and furnace, and the coal mine, are saving-funds, in which the people of the neighbourhood deposit the labour and the things which otherwise would be waste, and where these depositories exist, farmers and planters become rich. Where they do not, they remain poor. To those who desire to understand the wonderful effect of the daily deposit of small quantities of labour, I would recommend an examination of the saving-fund system of Europe and this country. They will there see how much can be accumulated from small savings when a safe place of deposit is offered, and thence can form a judgment of how much is liable to be wasted for want of such institutions. The people of New England have saving-funds in which they deposit what would be otherwise the waste labour of themselves, their horses and wagons, their sons and their daughters, and much of the produce that would otherwise be wasted, making by the very act a market on the land for the products of the land, and thus are enabled to save the manure, and they grow rich because of these economies. The people of other States waste labour, and water-power, and produce of various kinds, and then they destroy their timber for want of a market for it, and they waste their manure, and thus it is that they remain poor because of this extravagance. One cent per day for each person of the nation is almost eighty millions of dollars in a year. Is there not wasted, for want of a demand for it, labour to quintuple that sum per head ? If so, the amount is four hundred millions of dollars, or forty times the price—raw material included—of all the cotton cloths we can afford to buy from abroad.

Were all this saved, it would make a market for four hundred millions of dollars of cottons and woollens, of linens, iron, hardware, agricultural implements, coal, and all of the thousand other things required for the comfort and enjoyment of life. I say four hundred millions of those things, for food they had before, and as they are all consumers to the whole extent of their production, they must expend almost the whole extra production in other things than food. To the extent of these four hundred millions they would be customers to the land and its owner, for the earth is the sole producer.

Should the inquirer desire to view the effect of this waste of labour, on a large scale, he could not now do better than visit the valley of the Schuylkill. Doing so, he would find there all the labour and all the machine-power requisite for the production at market of 60,000 tons of coal per week, worth about $240.000. The quantity that will go to market this year will be about 30,000 tons per week, worth $120,000. Here is a diminution in the article of coal alone, to the extent of six millions of dollars, and if we were to add the loss from iron it would increase greatly the amount. Having ascertained this, if he should then inquire what was being produced to make amends for this, he would find it literally nothing. The men are there, and their wives and families are there, and they must have food, and that they may obtain it hundreds and thousands are cultivating potato patches; but the whole value produced to take the place of the coal and iron not produced, is so small as scarcely to be worth the slightest notice.

The labour-power now being wasted in that valley is more than would pay for all the iron and coal we have imported, and for which we have to pay in wheat or cotton. If, now, we follow this six millions, we can find it everywhere diminishing the power of the labourer and the miner to consume food or cloth, to the loss of both farmer and planter—diminishing the demand for the labour, and consequently the reward of the labourer and of the mechanic—diminishing the power of railroad owners to construct new roads, and thus again diminishing the demand for labour, and the power to pay for cloth or food: and thus may it be traced, step by step, throughout the whole nation, every interest taking its share of the loss.

Let the inquirer next visit a factory of any kind, and he will see that the whole value of the labour there employed is a creation that owes its existence to the fact that the mill has been built to be a saving-fund in which each family may deposit the labour, physical and mental, that would otherwise be wasted, receiving in exchange the cloth, the hats and coats, the shoes and stockings, the books and newspapers, that could not otherwise have been obtained. Let him then trace these savings, and he will find them producing an increased demand for food—and better food—a demand for cotton, and wool, and iron, and fuel, and all other of the products of the earth, to the benefit of every owner or cultivator of land, whether farmer or planter.

The people of New England save labour, and doing so they grow rich, and are enabled to make roads by which they travel rapidly to market, and they save the refuse of their products, which goes back upon the land, and that also grows rich. The people of the South and West, for want of such labour-saving-funds, waste more time than would pay *many times over* for all the cloth and iron they can consume; and then they are unable to make roads, the consequence of which is that the conveyance to market is costly They have to go to a distance for the performance of every exchange, however small. Their *necessities* for making roads are great, but their *power* to make roads is small. They waste all the refuse of their land, which is exhausted, and then they run away to other lands, *increasing their necessities* and *diminishing their power.*

But, it is asked, cannot too much coal and iron, cotton, wheat, and other of the good things of the world be produced—more than can be consumed? Those who ask this question do not recollect that every man is a consumer to the whole extent of his production. The more coal and iron are produced, the more wheat and cotton are consumed. The more wheat and cotton are produced, the more coal and iron are consumed. Consumption and production go hand in hand, and when there is a glut of any thing it is the result of error in the system that requires to be corrected.

Coal is now superabundant. The market is overloaded with a quantity smaller than that which was readily consumed two years since, and less by one-third than would be now required, had the power of consumption increased at the same rate as during the period from 1843 to 1847. The friends of the existing system point to the trivial import of foreign coal, and say that the cause of diminished product cannot there be found. They are right, but in so saying they condemn the system. The duty on coal was reduced in order that the labourer might obtain fuel more readily, but it has become so much more difficult to procure it that the consumption is already sensibly diminished, with every prospect of a further diminution. The total import of iron, and of cotton cloth, is as nothing compared with the growth of the product in the years from 1843 to 1847, and thus we see that the supply diminishes instead of increasing in its ratio to population, under a system that was to enable the labourer, and the farmer and planter, more readily to obtain cloth and iron.

It is not so much that coal needs protection for itself—or that iron or cotton need it for themselves—but that each needs it for the other. The producer of coal suffers because the furnace is closed, and the producer of iron suffers because the factories are no longer built, and the maker of cloth suffers because labour is everywhere being wasted, and the power to buy cloth is diminished. The harmony of interests—agricultural and manufacturing—is as perfect as is that of the movements of a watch, and no one can suffer without producing injury among all around. The grower of cotton suffers when the operatives in cotton factories and the workers in mines and furnaces are unemployed, and the latter suffer when adverse circumstances diminish the return to the labour of the farmer and planter.

There are more labour and the products of labour wasted in the States south of Mason and Dixon's line, than would, *ten times over*, convert into cloth all the cotton they produce, and more in the States north of it, than would, *ten times over*, produce all the iron made in Great Britain. This may appear a large statement, yet it is less than the truth, as will be clearly seen on examination. If evidence of this be desired, look to the fact that the manufacture of cottons and woollens doubled in five years—and that of iron, which in 1843 was under 250,000 tons, reached nearly 800,000 in 1847. Did this diminish the products of agriculture? Was not, on the contrary, the supply greater than was ever before known? We added at least two hundred millions in manufactures, not only without diminution elsewhere, but with a larger increase than had ever before taken place, and it was precisely when the home consumption had become so immense that the assertion was made that we had three hundred millions of bushels of food for which we needed a market. All this labour was saved labour, and much of the things employed would otherwise have been wasted.

Look next to the other fact, that it was *precisely when the growth of manufactures was arrested*, from 1835 to 1839, that the supply of food became so short that, notwithstanding diminished consumption consequent upon high prices, we were compelled to import wheat to the amount of more than four millions of dollars in a single year, and it will be seen if the experience of the two periods—1835–'41, and 1844–'47—does not prove conclusively that the nearer the loom and the anvil are brought to the plough, the larger is the return to the labours of the ploughman. Could it be otherwise? The nearer the place of exchange, the less of labour and manure are wasted on the road, and the more uninterruptedly is labour applied, upon a machine constantly increasing in its powers. The demand for lumber enables the farmer to sell his trees, and with the product he drains his land, and thus is enabled to cultivate more and better land. The more distant the loom and the anvil, the more labour and manure are wasted on the road, the less of both can be given to the land, and the best lands necessarily remain encumbered with trees that are valueless, because the labour of clearing them is more than they are worth when cleared.

That the reward of the labourer advances under the protective system is obvious from the fact that immigration increases. Men go from low wages to seek high ones. From 1829 to 1834 immigration grew. Thence to 1843 it was almost stationary. Thence to the present time it has increased with vast rapidity. Henceforward, if the existing system be maintained, it must diminish, for the power to obtain food and clothing, fuel and house-room, wages, has declined.

That the productiveness of labour increases is obvious from the rapid growth of canal and railroad tolls, and their stationary condition with every approach to the policy that tends to the separation of the loom and the anvil from the plough and the harrow. So again with the growth of steamboats, and of vessels generally. The more there is produced, the more can be consumed, and the more will go to market.

There is, as it appears to me, no single point of view from which we regard the facts now passing before our eyes, in which we shall not find confirmation of the correctness of these views. Were all the machinery now used in Lowell and Providence, for the manufacture of coarse cloths, taken out and replaced by that fitted for making fine cloths, and muslins, and silks, the product would be ten times as much as we now import, with little increase in the quantity of labour employed. Were all that coarse machinery then distributed throughout the South, it would enable the people of Southern States to convert into cloth three hundred thousand additional bales of cotton, not only without diminution in the agricultural export, but with an increase, for labour would then be more advantageously applied. To accomplish all this, by building mills and making machinery, would require an amount of labour equal to but a very small portion of that which is now wasted in a single year, and *not as much as is this year wasted in Pennsylvania alone.*

The people of the North would then have called into action a higher degree of intellect than is now required, and wages would rise, and the consumption of woollen and cotton cloth, of silks, and of sugar, and tea, and coffee, would grow rapidly. The people of the South would find the same effects. Their own consumption of cotton would be quintupled, while they would consume more and better food than now. They would need better houses, and the demand for timber and stone would clear their land, and wealth and population would give them better roads, and the men who came to make roads would eat food and wear coarse cottons, and thus the planters themselves would be enabled to become large customers for the fine ones produced in the North.

Consuming more tea and coffee, the producers of those articles would be able to purchase more cotton, and thus the planters' market would grow on every hand. The demand for machinery, for furniture, and for thousands of other things, would produce new improvements in manufactures, and the producers of tea and coffee, sugar and cotton, would be enabled to consume more largely of them, while the makers of machinery and furniture would need more iron, more lumber, and more cotton.*

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* I take the following from *The Cincinnati Gazette*, as evidence of the vast amoun o. smaller articles, composed of things that would be wasted, and prepared, much of it, by labour that would be wasted but for the proximity of a market:—

"What our larger manufactures for the South are, is well understood, especially by persons familiar with the machinery of sugar plantations. Our small manufactures, consisting of bagging, buckets, tubs, ploughs, &c., are less known. The exports of some of these for four seasons, will serve to show both the requirements of the South in this respect, and our ability to supply them.

On the other hand, let us suppose the cotton mills closed, and the supply of cloth diminished to the extent of all that is produced from 600,000 bales of cotton—the furnaces closed, and the supply of iron diminished to the extent of 800,000 tons—and the coal mines closed, and the supply of fuel diminished to the extent of three millions of tons—could we import and pay for the deficiency? Would the whole cotton crop then bring more than we now obtain for three-fourths of it? It would not. Our power to import foreign cloth and iron, and fuel, would not only not be increased, but *it would be diminished*, and we should consume one pound of cotton per head instead of ten or twelve. The power to pay for all the cotton and iron produced at home, results from the saving of labour, and with the disappearance of the power to save that labour would disappear the power to consume what are now its products. Union between the producer and the consumer at home, would, therefore, appear to be more profitable than union with people abroad and disunion among those at home.

CHAPTER FIFTH.

WHY IS IT THAT PROTECTION IS REQUIRED?

If all the labour employed in converting food and cotton into cloth, and food, ore, and fuel into iron, be really saved labour—if the whole result be really profit—why is it that men should require protection to enable them to produce cloth and iron? The question is a natural one, and should be fully answered.

It is because it is saved labour, and because the loom and the anvil are merely subsidiary to the plough and the harrow that protection is required. The first and great object of man is, to obtain food and the materials of clothing for himself and family. Neither is fit for use in the form in which it is yielded by the earth—the great machine of production. The grain requires to be ground, and the wool to be spun and woven. He pounds the one and his wife endeavours to convert the other into cloth of some description, however rude. They work with bad machinery, and they lose much time, and yet the loss is less than would be the case were they to carry the grain to the distant flour-mill, or the wool to the yet more distant woollens-mill. By degrees population increases, and the blacksmith comes to exchange horse-shoes for food. The carpenter comes to exchange labour for food. The saw-miller comes to exchange the labour of himself and his

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	1845–'46.	1846–'47.	1847–'48.	1848–'49.
Alcohol, bbls.	1,615	1,844	1,771	3,022
Brooms, doz.	1,584	5,108	3,760	3,333
Bagging, pieces		8,867	12,632	15,910
Candles, boxes	6,757	16,622	29,180	39,640
Cooperage, pieces	18,388	41,121	36,924	55,617
Lard oil, bbls.	1,690	6,199	8,277	9,550
Linseed oil, bbls.	455	6,032	3,878	3,020
Soap, boxes	2,708	10,080	11,295	11,308
Starch, boxes	2,499	5,826	8,179	7,904
White lead, kegs				29,417
Sundry manufactures, packages	7,957	22,251	42,418	94,934

"These small manufactures are too often overlooked by persons from abroad who survey this populous city, and wonder how it came and what it is doing out here in the heart of what was nothing but a wilderness half a century ago. But they really constitute, as every one familiar with them knows, one of the main elements of our prosperity. And behind them lie many others, contributing their share to our comforts and our growth, which as yet enter only slightly into our export trade, and consequently are not included in our commercial tables."

machine for food. In all these cases we see combination of action, and with its growth men obtain horse-shoes and houses more readily than before. Next the little grist-mill comes, and the miller gives the labour of grinding in exchange for food to eat. Again, the little woollens-mill comes, and the miller gives his labour to the carpenter and saw-miller for labour and lumber, to the blacksmith for his iron work, and to the farmer for food and wool. Next the little furnace comes, and the furnace man, in like manner, exchanges with his neighbours, and with the progress of combination of action men obtain, at every step, food, fuel, clothing, iron, furniture, and houses, with increased facility. The first and great desire of man is that of association with his fellow-man, and it is so, because he feels that improvement of his condition, physical, moral, mental and political, is its uniform accompaniment.

Throughout this country, there is a want of combination. Men are perpetually flying from each other, scattering themselves over large surfaces, and wasting the labour that if saved would make them rich. This inability to combine their exertions is the result of artificial causes; and the adoption of the protective system has been produced by an instinctive effort to obtain by its aid that which, had those causes not existed, would have come naturally and without effort.

If we now look to the early history of these provinces, we shall see the gradual tendency towards the establishment of furnaces, woollen-mills, &c. for the purpose of enabling men to combine their exertions for obtaining iron, cloth, and other of the necessaries of life with the least loss of labour in the work of transportation, whereby they might be enabled to economize their own labour to be employed in the work of production, while their sons and daughters were obtaining wages in the conversion of wool into cotton, or ore into iron.

The object of the colonial system was that of "raising up a nation of customers," a project "fit only," says Adam Smith, "for a nation of shopkeepers." He was, however, inclined to think, that even for them it was unfit, although "extremely fit for a nation whose government was influenced by shopkeepers." As early as the period immediately following the Revolution of 1688, we find the shopkeeping influence exerted for the "discouragement" of the woollens manufacture of Ireland; and while the people of that unfortunate country were thus prevented from converting their own wool into cloth, they were by other laws prevented from making any exchanges with their fellow-subjects in other colonies, unless through the medium of English ports and English "shopkeepers."

Such being the case, it was little likely that any efforts at combination of exertion among distant colonists, for rendering labour more productive of the conveniences and comforts of life, should escape the jealous eyes of men whose shopkeeping instincts had prompted them to the adoption of such measures in regard to nearer ones. The first attempt at manufacturing any species of cloth in the American provinces was followed by interference on the part of the British legislature. In 1710, the House of Commons declared, "that the erecting of manufactories in the colonies had a tendency to lessen their dependence upon Great Britain." Soon afterwards complaints were made to Parliament, that the colonists were setting up manufactories for themselves, and the House of Commons ordered the Board of Trade to report upon the subject, which was done at great length. In 1732, the exportation of hats from province to province was prohibited, and the number of apprentices to be taken by hatters was limited. In 1750, the erection of any mill or other engine for splitting or rolling iron was prohibited; but pig-iron was allowed to be imported into England duty free, that it might then be manufactured and sent back again. At a later period, Lord Chatham declared, that he would not allow the colonists to make even a hob-nail for themselves. Such is a specimen of the system, with regard to these colonies. That in relation to the world at large shall now be given.

By the act, 5 George III. [1765,] the exportation of artisans was prohibited under a heavy penalty.

By that of 21 George III. [1781,] the exportation of utensils required for the manufacture of woollens or silk was likewise prohibited.

By that of 22 George III. [1782,] the prohibition was extended to artificers in printing calicoes, cottons, muslins or linens, or in making blocks and implements to be used in their manufacture.

By that of 25 George III. [1785,] it was extended to tools used in the iron and steel manufactures, and to the workmen employed therein.

By that of 39 George III. [1799,] it was extended to colliers.

These laws continued in full force until the year 1824, when the prohibition as to the export of artisans was abolished, and all those relating to the export of machinery so far relaxed that "permission may now be had for the exportation of all the more common articles of machinery," discretion having been given to the Board of Trade, which decides upon each application, "according to the merits of the case." But little difficulty is now, it is said, experienced by merchants, who generally know as to what machines "the indulgence will be extended, and from what it will be withheld," almost as certainly as if it had been settled by act of Parliament; yet, it is deemed advantageous to have it left discretionary with the Board, that they may have "the power of regulating the matter, according to the changing interests of commerce."* Under this system, the whole quantity of machinery exported in the eleven years, from 1824 to 1835, averaged but two hundred thousand pounds per annum.†

We see thus, that the whole legislation of Great Britain, on this subject, has been directed to the one great object of preventing the people of her colonies, and those of independent nations, from obtaining the machinery necessary to enable them to combine their exertions for the purpose of obtaining cloth or iron, and thus *compelling* them to bring to her their raw materials, that she might convert them into the forms that fitted them for consumption, and then return to the producers a portion of them, burdened with great cost for transportation, and heavy charges for the work of conversion. We see, too, that notwithstanding the revocation of a part of the system, it is still discretionary with the Board of Trade, whether or not they will permit the export of machinery of any description.

Had it not been that there was a natural tendency to have the producer of iron and cloth, and hats, to take his place by the side of the producer of food and wool, there could never have arisen any necessity for such laws as those passed in relation to Ireland and the colonies, and had that tendency not existed, the laws prohibiting the export of machinery would never have been required. It did exist, and it does everywhere exist, and it was for the purpose of preventing the gradual development of a natural state of things, and bringing about an unnatural one, whereby Great Britain might be made "the work-shop of the world," that those laws were passed. The object of protection has been, and is, to restore the natural one.

The effect of those laws has been that of bringing about an unnatural division of her population. The loom and the anvil, in that country, instead of being second to the plough, have become first, with great deterioration in the condition of both labourer and capitalist. For a long period, the few engaged in manufactures made vast fortunes; while the owners of land were enabled to obtain enormous rents, because the consumers of food increased more rapidly than the producers of food. Land gradually consolidated itself in fewer hands, and the little occupant of a few acres gradually gave way to the great farmer, who cultivated hundreds of acres by aid of hired-labour. The few became richer, and the many went to the poor-house. The value of labour, in food, was diminished, and the value of capital was also diminished, because both were, as they still are, shut out from employment on land, the only employment in which both can be used to an indefinite extent, with constant increase in the return to labour.

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* Porter's Progress of the Nation, Vol. I. p. 320.

† Ibid. p. 323.

By degrees, however, machinery was smuggled out of England, and artisans escaped therefrom; and at length there arose a necessity for legalizing the export of both, and from that time it is that manufactures on the continent of Europe have made great progress. The people there, however, have, like ourselves, laboured under great disadvantages. England had monopolized machinery for so long a time that she had acquired skill that could not readily be rivalled; while she had, by this improper division of her population, kept the price of labour and capital at a lower point—proportioned to the advantage with which they might have been applied—than among her neighbours. Her establishments were gigantic, and always ready to sink those who might undertake competition; while the unceasing changes in her monetary arrangements, the necessary consequences of the colonial system, were of themselves sufficient to spread ruin among all the nations connected with her. Our own experience has been that of all the world.

The necessary consequence of the existence of such a state of things, was resistance by the various independent nations of the world, in the form of tariffs of protection; one of the first results of which was the modification of the law prohibiting the export of machinery. From that period to the present, she has been engaged in an effort to under-work other nations, despite their efforts to shut her out, and with each stage of her progress the condition of her operatives, as well as that of her farm labourers, has deteriorated. Women have been substituted for men, and children of the most immature years for women, and the hours of labour have been so far extended as to render Parliamentary interference absolutely necessary. That interference was opposed, on the ground that all the profit of the machinery resulted from the running of an additional hour. In the mining department of her trade, the system is the same, and it is impossible to read the Parliamentary Reports on the condition of her manufacturing and mining labourers, without being horrified at the awful consequences that have resulted from this effort to tax the world by monopolizing machinery. The moral effects are as bad as the physical ones. Frauds of every kind have become almost universal. Flour is substituted for cotton, in the making up of cotton cloths, to such an extent that, fifteen years since, the consumption for this purpose was estimated at forty-two millions of pounds.* The quality of iron, and of all other commodities, is uniformly reduced to the point that is required for preventing other nations from producing such commodities for themselves.

By the census of 1831, it was shown that the number of families in England and Wales was 3,303,504, of which 1,170,000 were those of agricultural occupants, or of agricultural and mining labourers, producers of things to be converted or exchanged; leaving 2,133,000 for the converters and exchangers, and for the money-spending classes—paupers on one hand, and state annuitants, noblemen and gentlemen, on the other. Thus the products of one labourer had to be divided among three.

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* "These goods are generally smoother and more evenly made than American fabrics of the same cost; but they must be used in their dry state, as in washing their appearance is very much changed."—*Dry Goods Reporter*, Nov. 1849.

By the census of 1841, it was shown that, notwithstanding an increase in the last ten years of 630,000 in the number of adult males, there had been an actual diminution of 19,000 in the number employed in agriculture, and thus we have almost four persons to consume the products of one.

Since that date, the tendency has been in the same direction. The transporters, converters, and exchangers have been steadily and rapidly increasing in their proportion to the producers.

With each step in her progress, she thus becomes less a producer, and more and more a mere exchanger, dependent upon the profits of converting and exchanging the products of other nations. This steadily increasing disproportion between the producers and the exchangers, brought about the state of things that led to the repeal of the corn laws, since the date of which there is an evident increase in the tendency to become a mere exchanger of the works of other men's hands. The amount of her trade does not grow with the growth required by this change. The farmer may live and maintain his family out of a crop of five hundred bushels, or even less. The shopkeeper, to live as well, must pass through his hands five thousand bushels; and what is true of the individual shopkeeper is equally true of a nation of shopkeepers, as I will now show.

The man who raises his own food, and sells of it to the amount of $100, has that sum to be applied to the purchase of clothing and other of the comforts of life. He is selling the product of his own labour.

The man who buys food to the extent of $100, and sells his products for $200, has but $100 to be applied to the purchase of other things than food. To the extent of one-half he is selling the produce of the labour of others.

The man who buys food and leather, each to the extent of $100, must sell $300 worth of shoes to give him $100 to be applied to the purchase of other things than food. To the extent of two-thirds he is selling the labour of others.

So is it with nations. When they sell their own products, their power to purchase from others is equal to the whole amount sold. When they sell the products of others, whether in the same or any other form, their power of purchase is only to the extent of the difference between the price paid and the price received. The bale of cotton exported as yarn, is but the bale imported as wool, and, to the extent of the cost of the wool, represents no part of the power to purchase for consumption. The barrel of American flour exported in the form of cloth or iron, is but the barrel of flour imported, and represents no part of the power to purchase coffee, tea, or sugar.

The actual or declared value of the exports of the produce and manufactures of Great Britain and Ireland, was,

From 1815 to 1819,	annual	average, . .	£44,000,000
" 1827 to 1834,	"	" . .	38,000,000
" 1845 to 1848,	"	" . .	50,500,000

From these sums is to be deducted, in all cases, the cost of the raw material required to produce the commodities exported.

The quantity of cotton manufactured in the first period amounted to 100,000,000 of pounds per annum, and the average price was 19 pence.*

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* McCulloch's Com. Dict., art. Cotton.

making the whole cost about £8,000,000. The value of cotton goods exported was £16,500,000, of which the raw material may have been about £5,500,000.

The consumption of foreign wool was about 7,000,000 of pounds weight, and with this exception the whole amount of the export was of domestic production.

The import of food amounted to about 1,500,000 quarters, or 13,500,000 bushels of 60 pounds weight.

Putting together all the foreign food and raw materials required for the product of £44,000,000 of exports, the total cost could scarcely have exceeded £12,000,000, leaving £32,000,000 as the value of domestic products and labour exported by a population of 21,000,000, being equal to about £1·10 per head, or $7·20, to be applied to the purchase of foreign commodities for domestic consumption.

In the second period, the quantity of cotton manufactured averaged about 275,000,000 of pounds, and the price had fallen to about 8*d*., making the cost about £9,000,000. The proportion exported had somewhat increased, judging from the difference between the quantity as given by the official value, and the product as given by the declared value, and the amount of labour had decreased, the exports of mere yarn having risen from £1,200,000 to between four and five millions. The value of the raw cotton thus exported may have been £6,000,000.

The quantity of foreign wool retained for home consumption had risen to 30,000,000 of pounds, being an important portion of the quantity exported in the form of cloth.

The average import of food was, as before about 1,500,000 quarters. If, now, we estimate the total consumption of food and other raw materials at £14,000,000, and deduct that sum from the amount of exports, we shall have remaining £24,000,000 as the value of the products and labour exported by a population of 23,000,000, being about 21*s*. or $5 per head, to be appropriated to the purchase of foreign commodities, other than grain, for consumption.

In the third period, the declared value of cotton goods exported had risen to about £25,000,000, and the cost of the raw cotton required for this purpose, in the year 1846, was estimated at about,

pose, in the year 1846, was estimated at about, .	£8,500,000
And in the year 1847, at	8,800,000
For 1845 and 1848, the average was about .	7,350,000

making a total average of £8,000,000. To this must now be added the wool of Australia, Spain and Germany, of which the manufacture had risen to 70,000,000 of pounds; the silks of Italy and China; the hides, the indigo and other colouring materials, the gold, and innumerable other articles used in the production of this large amount of manufactures; and I shall be safe in putting the whole amount, for those years, at not less than £14,000,000, and it is probably much more.

The import of flour and grain averaged about 6,250,000 quarters, and as the last of those years amounted to about five and a half millions, it may be safe to assume that the average quantity required will not fall materially short of six millions, equal to fifty-four millions of bushels of sixty pounds each, and if the cost of these be averaged at 4*s*. per bushel, the amount will be	£10,800,000*

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* The amount actually expended in fifteen months is stated to have been £33,000,000. This, however, was an exceptional case, and my object is rather to show from the past what may be taken as an average of future years.

If, now, we add for vast quantities of live-stock, pork, beef, lard, butter, cheese, and other articles of food, the whole consumption of which was formerly supplied at home, only	1,000,000
We shall have a total of	25,800,000
To be deducted from the gross amount of exports, and leaving only	24,700,000

as the value of the export of the products and labour of the twenty-seven and a half millions composing the population of the United Kingdom, being about 18*s*. or $4·32 per head, to be applied to the purchase of sugar, tea, coffee, rice, spices, and numerous other foreign articles of food—for lumber, tobacco, foreign manufactures of every description, and for the purchase of the cotton, silk, wool, dye-stuffs, hides, &c. &c., required for the manufacture of clothing used at home.

We have here a constantly diminishing quantity to be applied to the purchase of various descriptions of food that from luxuries have become necessaries of life, and that of the materials of clothing. It follows, of course, that as food is the article of prime necessity, the amount that each expends of clothing is very small indeed; the consequence of which is, that the people of England, engaged in furnishing cheap clothing to all the world, are not only badly fed but exceedingly badly clothed, the cost of clothing, in labour, being so great as to place it beyond their reach,* the amount that can be expended for that purpose tending rather to decrease. Whenever a good crop causes a large quantity of cotton to come to market, the price falls to the point that is necessary to enable the purchaser at home to absorb the surplus that cannot be exported; and when the crop is short, the consumption is limited to the quantity that can be purchased by the small amount to be expended. The whole sum now applicable to this purpose appears not to vary greatly from 2*s*. per head, sufficient to purchase three pounds at 8*d*., or six pounds at 4*d*. This will be seen by an examination of the following table:—

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* By reference to the report of the Assistant Commissioner charged with the inquiry into the condition of women and children employed in agriculture, it will be seen that a change of clothes seems to be out of the question. The upper parts of the under-clothes of women at work, even their stays, quickly become wet with perspiration, while the lower parts cannot escape getting equally wet in nearly every kind of work in which they are employed, except in the driest weather. It not unfrequently happens that a woman, on returning from work, is obliged to go to bed for an hour or two to allow her clothes to be dried. It is also by no means uncommon for her, if she does not do this, to put them on again the next morning nearly as wet as when she took them off.

The evidence laid before Parliament in regard to the situation of the operatives in coal mines, showed that men and women, boys and girls, were accustomed to work together in a state of absolute and entire nudity.

The slowness with which the power of consuming other articles than clothing has grown is remarkable.

In 1803, that of paper was	31,699,537 pounds.
1841, with almost double the population, only . .	97,103,548 "

The great diminution in the cost of cotton and linen cloth had been attended with a corresponding reduction in the cost of rags, while there had been great improvements in the mode of manufacture. The quantity of labour that could be exchanged against paper had evidently diminished.

The consumption of candles in 1801, was	66,999,080 pounds.
In 1830 it was	116,851,305 "

having little more than kept pace with the population.

	Average cost of Cotton in England. d.	Home consumption.	Money price, per head s.	d.
1845	4¾	170 millions	about 2	4½
1846	5	155 "	" 2	3
1847	6⅜	80 "	" 1	7
1848	4½	170 "	" 2	3

We see, thus, that she clothes her people at the cost of the cotton planter. She has a certain quantity of labour that she can give in exchange for cotton, and the price of the whole import is regulated thereby. If the crop is large, she takes a great deal for the money; if it is small, she takes but little; and thus the producer not only derives no benefit from large crops, but is so much injured thereby, that it is actually more profitable to have one of 2,000,000 of bales, than one of 2,700,000. Had that of the present year reached three millions, he would have been ruined, for freights would have been high, while prices abroad would have fallen to a lower point than has ever yet been reached.

Instead of applying her labour to the cultivation of her own soil, she pursues a course having for its object that of compelling all the farmers and planters of the world to make their exchanges in her markets, where she fixes the price for the world. Her power to apply the proceeds of labour to the purchase of other commodities than those of prime necessity is small, and gradually but steadily diminishing; and whenever the labours of the producer are rewarded with liberal returns, he is nearly ruined, because the price falls below the cost of production.

The system is altogether so remarkable that at some future day it will be deemed almost impossible that it should ever have been tolerated. She has a certain quantity of the means of transportation and conversion, and being thus provided she desires that all the cotton and sheep's-wool of the world shall be brought to her, that it may be spun and woven, and that she may take toll for spinning and weaving it. The more that is brought to her the less of it she gives back to the producer, and the price she pays him fixes the price he receives from all the world. How the system works may be seen from the following statement:—

	1815 to 1819.	1827–1834.	1845–1846.
Cotton consumed, lbs.	100,000,000	275,000,000	596,000,000
Value	£8,000,000[*]	9,000,000	11,400,000

She pays for this in cotton-cloth and iron, the prices of which, at these periods were as follows:—

A piece of calico, of 24 yards	16/6[*]	7/6[†]	6/7
A ton of merchant-bar iron	£11[‡]	£7 5	£9 10

Had the whole been paid in these, the planter would have received of

Cloth, pieces	9,700,000	24,000,000	34,700,000
Or iron, tons	730,000	1,250,000	1,200,000

The *additional* freight, home and foreign, charges, commissions, &c., in the last period were, at three cents per pound, on 496,000,000 of pounds, say $15,000,000. For this the planter would receive, *in Liverpool*, 470,000 *additional* tons of iron, the value of which, in Liverpool, at the present moment, would be about $11,000,000, and thus he not only gave away his cotton, but gave with it a large portion of the cost of transportation. The whole return to him for 600,000,000 was not as great as it had been to 100,000,000.

It thus appears that notwithstanding all the improvements in manufacture, the planter had to give in the last period *six times* the quantity of cotton to obtain *three and a half times* the cloth that he could have had in the first—and *six times* the quantity to obtain a *smaller quantity* of iron. A more admirable mode of taxing the world was certainly never devised.

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[*] McCulloch's Statistics, Vol. II. p. 70.

[†] This is the average of the years from 1831 to 1834, as given in Burns's Commercial Glance, and copied in the Merchants' Magazine, Vol. XIX. p. 277.

[‡] Average of 1817 to 1819—Merchants' Magazine, Vol. XX. p. 337.

The result of the system is, that the productiveness of agricultural labour is declining in every portion of the world that does not protect itself against this "war upon labour and capital," as I will now show.

Consumption is measured by production. Every man is a consumer to the whole extent of his production. To that point he will go, and beyond it he cannot go. The first of his wants is food; next comes clothing; after this follow the conveniences and luxuries of life. If his productive power increases, his power to obtain clothing increases rapidly, because the whole surplus is applicable to other things than food. If it diminishes, his power to obtain clothing diminishes with great rapidity, for food he must have. That it has diminished, and is now diminishing rapidly, will, I think, be evident from the following facts:—

Sixty years since, the price paid by the consumers of cotton to the producers of it was estimated at $40,000,000.

From 1827 to 1834, both inclusive, the crops of the United States averaged 945,000 bales, and the home consumption about 145,000, leaving 800,000 for export. The average price was about $40 per bale, and the product $32,000,000.

In this period, India continued to produce extensively of cotton, and to manufacture cotton goods. The China market was not opened to the free traders until 1831, and it required some time to substitute the cotton cloth of England for the cotton and cloth of India. With every day that has since elapsed, the production of cotton has declined, as the manufacture has been passing towards annihilation. Cotton was then extensively raised in the West Indies, Brazil, Egypt, Africa, Mexico, and elsewhere; and the total product, exclusive of that of the United States, was estimated at 450,000,000 of pounds, or about one-fifth more than that of the Union. Averaging the whole at the same price, we should now obtain an annual expenditure, excluding our own, for cotton wool, of $78,000,000.

From 1842 to 1848, both inclusive, the crop averaged 2,060,000 bales, and the home consumption about 400,000, leaving 1,660,000 for export. Two hundred thousand of these may be given to the Zoll-verein, and other countries of Europe that have protected themselves against the system, not as the increased quantity actually taken under low prices, but as that which would have gone at high ones, leaving 1,460,000 for the quantity that may be supposed to be influenced by the system. The average price, during that period, was seven and a half cents, or $34 per bale, and the average product of the portion of the crop thus exported, $50,000,000.

Since then, the cultivator of this most important commodity, throughout the world, has been ruined, and it is greatly to be doubted if the whole production, outside of the Union, is now more than one half of what it was thirty years since; but, at the utmost, it cannot exceed 270,000,000; and if we now assume that quantity, and, as before, put the whole at the same price, we shall obtain, as the amount paid for cotton, by almost the whole population of the world, outside of the Union, as follows:—

For the crop of this country, . .	$50,000,000
For that of the rest of the world, . .	20,000,000
	$70,000,000

Showing a large reduction, notwithstanding the increase in the number of persons employed in its production, and the increase of those who should consume it, and yet the case, as here stated, does not represent the real diminution in the amount paid to the producers. Of the cotton of India, nearly the whole value is now swallowed up in freights, and while the cost to the consumer is large, the yield to the producer is scarcely more than two cents per pound. A more full examination of the subject would, I believe, result in showing that the producers of cotton, taken as a body, do not receive in return for all the clothing material that has to so great an extent superseded wool, flax, &c., from the people of the world outside of the limits of the Union, twenty millions of dollars more than they did sixty years since.

A similar examination of the movement in regard to sugar, coffee, wool, and other articles, would yield the same results, for the exhaustion is everywhere the same. The whole effect of the system is that of reducing the farmer and the planter—the producers of the good things of the world—to the condition of an humble dependence upon the owners of a quantity of small machinery for the conversion of wool into cloth, that they themselves could purchase at the cost of less labour than, for want of it, they waste in each and every year.

Let us now look to the results, as exhibited in the immediate dependencies of England.

With this vast increase in the importation of food from abroad has come the ruin of the people of Ireland. Deprived of manufactures and commerce, her people were driven to live by agriculture alone, and she was enabled to drag on a miserable existence, so long as her neighbour was content to make some compensation for the loss of labour by paying her for her products higher prices than those at which they might have been elsewhere purchased. With the repeal of the corn laws, that resource has failed; and the result is a state of poverty, wretchedness, and famine, that has compelled the establishment of a system which obliges the landowner to maintain the people, whether they work or not; and thus is one of the conditions of slavery re-established in that unhappy country. From being a great exporter of food, she has now become a large importer. The great market for Indian corn is Ireland—a country in which the production of food is almost the sole occupation of the people. The value of labour in food, throughout a population of eight millions, is thus rapidly decreasing.

From an inquiry instituted by Lord Clarendon, in 1847, and conducted in the most careful manner, it was ascertained that out of 20,800,000 acres of which the kingdom consists, there were but 5,200,000 under crop, and that the yield of cereal grains, chiefly oats, averaged 10 bushels (of 70 pounds) per head, while that of potatoes was 561 pounds per head. The cattle amounted to 2,591,000, or less than one to three persons of the population; the hogs to 622,000, or one to thirteen; and the sheep to 2,186,177, or one to four. Such are the products of a nation, exclusively agricultural, whose numbers were about one-half those of the people of the Union, at our last census.

Were it possible now to ascertain the quantity of food, per head, produced in Great Britain and Ireland, it is probable that it would be found to be less than it was five years since, and that the whole quantity, foreign and domestic, was not materially greater than at that date. If so, it follows that the whole amount of labour expended in purchasing and fashioning the cotton of other lands to be given in exchange for food, is lost labour, and that the average quantity of food and of other commodities obtainable throughout the kingdom in return for any given quantity, tends downwards instead of upwards; and that such is the case there is reason to believe. As evidence that such is the fact, we may take the expenditure for support of paupers, which in 1837 was £4,207,000, and for 1844, 5, and 6, averaged £5,890,000, being an increase of forty per cent. in eight years. In 1848, it had attained the enormous height of £7,800,000. If now to this we were to add the expenditure for the same purpose in Ireland, we should find the growth to be absolutely terrific.

As a full answer to this, the English economist would point to the increased consumption of certain commodities; but that increase is maintained, as we have seen, by the oppression and ruin of the agriculturist everywhere. The whole system has for its object an increase in the number of persons that are to intervene between the producer and the consumer—living on the product of the land and labour of others, diminishing the power of the first, and increasing the number of the last; and thus it is that Ireland is compelled to waste more labour annually than would be required to produce, thrice over, all the iron, and convert into cloth all the cotton and wool manufactured in England. The poverty of producers exists nearly in the ratio in which they are compelled to make their exchanges in the market of Great Britain, foregoing the advantages that would result to them from the free exercise of the power of associating for the purpose of combining their exertions, and thus rendering their labour more effective.

The manufacturers of India have been ruined, and that great country is gradually and certainly deteriorating and becoming depopulated, to the surprise of those of the people of England who are familiar with its vast advantages, and who do not understand the destructive character of their own system. The London *Economist* says:—

> "Looking to our Indian empire, we cannot but be struck with the singular facilities which—in climate, soil, and population—it presents to the commerce of Great Britain. At first sight, it seems to offer every thing that could be devised, in order to induce to a commercial intercourse almost without limit. There is scarcely one important article of tropical produce which is consumed in this country, either as the raw material of our manufactures, or as an article of daily use, for the production of which India is not as well, or better, adapted than any other country: while its dense and industrious population would seem to offer an illimitable demand for our manufactures. Nor are there opposed to these natural and flattering elements of commerce any fiscal restrictions to counteract their beneficial results. Indian produce has long entered into consumption in the home markets on the most favourable terms; while, in the introduction of British manufactures into India, a very moderate duty is imposed. Yet, notwithstanding all these advantages, it is a notorious fact, deducible alike from the tendency which the supply of some of the most important articles of Indian produce show to fall off, and from the stagnant, or rather declining, state of the export of our manufactures to those markets—and, perhaps, still more so, from the extremely unprofitable and unsatisfactory result which has attended both the export and import trade with India for some time past,—that there exist some great and serious impediments to the realization of the just and fair hopes entertained with regard to our Indian trade."

Another writer* speaks of it as a country whose exports are rapidly diminishing. Sugar, he says, does not increase, while indigo decreases, and cotton is reduced one-third to one-half. The revenue is deficient. Gazerat and Cutch, which once supplied cotton to half the world, have almost ceased to produce it. The growth and manufacture of cotton have disappeared from Bengal, which once gave to the world the Dacca muslins, the finest in the world. Cotton fields have everywhere relapsed into jungle.

Year after year we are told of efforts being made to increase the product and improve the quality of India cotton, and yet year after year the prospect of improvement becomes more remote, and necessarily so, because agricultural improvement under the existing impoverishing system is impossible. For a short period, premiums were granted on what is called free sugar—to wit, that raised by the wretched Hindoo who perishes of starvation, the consequence of the system—and while that policy was maintained its cultivation made some progress, but since the abolition of the restrictions on slave-grown sugar, every thing tends downward.*

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* London correspondent of the National Intelligencer.

Ireland and India are thus in the same condition. The West Indies are ruined, and Canada, Nova Scotia, and New Brunswick, now seek annexation, that they may have protection from a system under which they are being ruined. The owner of land, everywhere, knows that it would be doubled by the change, and the labourer transfers himself to the south of the boundary-line, that he may find employment and good wages, which cannot be found at the north of it. Those who remain north of it now anxiously seek for admission for their grain, because protection maintains a market that now they cannot have.

In the existing state of things they have to compete with the low-priced labour of Russia and Poland, and are ruined. They desire, therefore, that their competition may be with the protected farmers and labourers of the Union.

Lord Sydenham, in a letter to Lord John Russell, which accompanied his Report on Emigration to Upper Canada, observed :

> "Give me yeomen, with a few hundred pounds each, who will buy cleared farms, not throw themselves into the bush, and I will ensure them comforts and independence at the end of a couple of years—pigs, pork, flour, potatoes, horses to ride, cows to milk—*but you must eat all your produce, for devil a purchaser is to be found:* however, the man's wants are supplied, and those of his family; he has no rent or taxes to pay, and he ought to be satisfied."

Here is the cause of the desire for annexation that now exists throughout Canada. There are no consumers at hand, and the farmer cannot exchange his corn for cloth or iron, the consequence of which is, that labour and land are almost valueless. So is it everywhere. Every colony therefore desires to separate itself from England, and all would gladly unite with these United States, and for no other reason than that they might have protection.

That the colonial system is rapidly approaching its close must, I think, be obvious to all who take the trouble to inform themselves of the condition of the people of her colonies, who have been compelled to bear with it; and thence satisfy themselves that the independent nations of the world must continue to increase and to strengthen their measures of resistance until it shall be ended, that thenceforth there may be perfect freedom of trade.

It is "a war upon the labour and capital of the world." Its object is that of preventing the spinner and weaver from combining their efforts with those of the farmer and planter,—compelling the latter to work alone, and therefore disadvantageously, and then to give two-thirds of the crop for the maintenance of horses and wagons, ships and men, brokers and merchants, whose services would not be needed were the system abolished. Its effects have been everywhere, to render men depressed and poor. Desiring to liberate themselves from it our ancestors made the Revolution, and the Canadians have now formed a league, induced thereto by their observance of the wonderful results that have been here obtained.

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* "For many years they [Messrs. Arbuthnot & Co., of Madras] have been the most extensive manufacturers of sugar in Southern India, converting to the extent of thousands of tons annually the coarse jaggery made by the ryots into the fine product which finds its way into the market; but the attempt to raise the cane was first tried about two or three years since, and it is needless to say that no cost or skill was spared to render it successful. Planters were brought from the West Indies at liberal salaries to direct the cultivation, and machinery of the most complete and extensive character was imported from England to irrigate the soil and manufacture the sugar on the spot. No project could possibly be set on foot under circumstances more favourable, but the upshot is that the land taken in Rajahmundry and Dawlaishwarum has been relinquished, and the cattle turned into the fields of standing cane. * * * *

"The question of competition to be maintained on the existing system with the West Indies and the countries in which slave labour prevails must rest for future consideration. At present we have arrived at the important conclusion, that, under the most favourable circumstances, we cannot hope to alter the present mode of cultivating the sugar-cane in Southern India."—*Athenæum.*

Thus far, the system has been maintained at home by this power to tax the world for its support. India contributes three millions sterling per annum,* but there is a gradual diminution in the power to pay. Canada and the West Indies have paid their share, but the connection with the former is likely soon to be at an end, and the latter are ruined. This country is the main support of the system, but that support is gradually being withdrawn, and when it shall be absolutely so, the destructive effects of it upon England herself will become fully obvious. It will then be seen that the wealth of that country is really, to use the words of Carlyle, but a magnificent "sham." The few are rich, but the many are poor, and the mass of wealth is by no means great.

The whole amount of capital invested in buildings, machinery, &c. for the cotton manufacture, in 1834, was estimated at twenty millions of pounds sterling† or less than a hundred millions of dollars, being only double what has been expended in the effort to bring into activity the anthracite coal mines of Pennsylvania. She has also machinery for the production of a large amount of coal and iron, but the same quantity could be produced in this country in a few years, without an effort. She has made a considerable amount of rail-roads, but she broke down under the effort, and yet roads are made in that country at far less cost than here, and we have now more miles in operation.

The nominal cost of her roads is great, because the prices paid for land are high, and large sums are paid to lawyers, conveyancers, &c., &c., but these are merely transfers of property, not investments of it. The real investment is only the labour employed in grading the road, erecting the bridges, and getting out the iron, and the cost of these per mile is less than for any well-made road in this country. The power of England to make investments of labour is less than half of what it was in this country from 1844 to 1847, and less than one-third of what it would now be had the production of coal, and iron, and cotton goods been allowed to increase at the rate at which it was then increasing. Her system tends to the enrichment of the few, and hence there results a show of wealth far, very far, beyond the reality.

The impoverishing effects of the system were early obvious, and to the endeavour to account for the increasing difficulty of obtaining food where the whole action of the laws tended to increase the number of consumers of food, and to diminish the number of producers, was due the invention of the Malthusian theory of population, now half a century old. That was followed by the Ricardo doctrine of Rent, which accounted for the scarcity of food by asserting, as a fact, that men always commenced the work of cultivation on rich soils, and that as population increased they were obliged to resort to poorer ones, yielding a constantly diminishing return to labour, and producing a constant necessity for separating from each other, if they would obtain a sufficiency of food. Upon this theory is based the whole English politico-economical system. Population is first supposed to be superabundant, when in scarcely any part of the earth could the labour of the same number of persons that now constitute the population of England obtain even one-half the same return. Next, it is supposed that men who fly from England go always to the cultivation of rich soils, and therefore every thing is done to expel population. Lastly, it is held that their true policy when abroad is to devote all their labour to the cultivation of those rich soils, sending the produce to England that it may be converted into cloth and iron, and they are cautioned against any interference with perfect freedom of trade as "a war upon labour and capital."

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* "Altogether it has been calculated that the tribute which India pours into the lap of England is at least equal to three millions sterling."—*Porter's Progress of the Nation*, Vol. iii. p. 354.

† McCulloch's Statistics, Vol. 2, page 75.

Colonization is urged on all hands, and all unite in the effort to force emigration in the direction needed to raise up "colonies of customers." It is impossible to read any work on the subject without being struck with the prevalence of this "shopkeeping" idea. It is seen everywhere. Hungary was to be supported in her efforts for the establishment of her independence, because she was willing to have free trade, and thus make a market for British manufactures. The tendency of the Ricardo-Malthusian system to produce intensity of selfishness was never more strikingly manifested than on that occasion.

It happens, unfortunately, that the system is without a base, the fact being exactly the reverse of what it is stated by Mr. Ricardo to be. Throughout the world, and at all periods of time, men have commenced the work of cultivation upon the poorer soils, leaving to their successors the clearing of river bottoms and the draining of swamps; and the increase of population it has been that has everywhere enabled men to subject rich soils to cultivation.* Food, therefore, tends to grow faster than population, when no disturbing causes exist, and in order that the increase of population may take place, it is indispensable that the consumer take his place by the side of the producer. When that is not the case, the inevitable consequence is that the waste of labour is great, and that the perpetual cropping of the land returning to it none of the refuse, exhausts the land and its owner, and compels the latter to fly to other poor soils, increasing the transportation and diminishing still further the quantity of cloth and iron to be obtained in return to a given amount of labour.

We thus have here, first, a system that is unsound and unnatural, and second, a theory invented for the purpose of accounting for the poverty and wretchedness which are its necessary results. The miseries of Ireland are charged to over-population, although millions of acres of the richest soils of the kingdom are waiting drainage to take their place among the most productive in the world, and although the people of Ireland are compelled to waste more labour than would pay, many times over, for all the cloth and iron they consume.† The wretchedness of Scotland is charged to over-population when a large portion of the land is so tied up by entails as to forbid improvement, and almost to forbid cultivation. The difficulty of obtaining food in England is ascribed to over-population, when throughout the kingdom a large portion of the land is occupied as pleasure grounds, by men whose fortunes are due to the system which has ruined Ireland and India.* Over-population is the ready excuse for all the evils of a vicious system, and so will it continue to be until that system shall see its end, the time for which is now rapidly approaching.

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* For a full examination of this question I must refer to my book, "The Past, the Present, and the Future."

† Of single counties, Mayo, with a population of 389,000, and a rental of only 300,000*l.*, has an area of 1,364,000 acres, of which 800,000 are waste! No less than 470,000 acres, being very nearly equal to the whole extent of surface now under cultivation, are declared to be reclaimable. Galway, with a population of 423,000, and a valued rental of 433,000*l.*, has upwards of 700,000 acres of waste, 410,000 of which are reclaimable! Kerry, with a population of 293,000, has an area of 1,186,000 acres—727,000 being waste, and 400,000 of them reclaimable! Even the union of Glenties, Lord Monteagle's *ne plus ultra* of redundant population, has an area of 245,000 acres, of which 200,000 are waste, and for the most part reclaimable, to its population of 43,000. While the barony of Ennis, that abomination of desolation, has 230,000 acres of land to its 5,000 paupers—a proportion which, as Mr. Carter, one of the principal proprietors, remarks in his circular advertise-

To *maintain* it, the price of labour in England must be kept steadily at a point so low as to enable her to underwork the Hindoo, the German, and the American, with all the disadvantage of freight and duties. To *terminate* it, the price of labour in England must be raised to such a point as will prevent that competition and compel her to raise her own food, leaving others to consume their own, and such must be the result of the thorough adoption of the protective system, even by the United States alone.

The cause of the difficulty in which England now finds herself is the unnatural disproportion between consumers and producers. Men are cheap and therefore undervalued. Establish a market for these men, and their value will rise, and such will be the effect in every part of Europe. We have seen that immigration into this country increased in the period between 1830 and 1834, from twelve to sixty-seven thousand; that from that period to 1843 it remained almost stationary; and that in the last four years it has more than trebled. Now, let us suppose that the system of 1828 had been maintained, and that the mining of coal, the smelting and rolling of iron, and the manufacture of cotton and woollen cloths, &c. had gone on uninterruptedly, producing a great demand for labour to be employed in the various branches of manufacture, in the making of roads, the clearing of lands and the building of houses, and that the inducements for emigration to this country had been constantly increasing to such an extent as to cause the

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ment for tenants, "is at the rate of only one family to 230 acres; so that if but one head of a family were employed to every 230 acres, there need not be a single pauper in the entire district; a proof," he adds, "THAT NOTHING BUT EMPLOYMENT IS WANTING TO SET THIS COUNTRY TO RIGHTS!" In which opinion we fully coincide.—*Westminster Review.*

* Poulett Scrope, a member of the British Parliament, has inserted in the London Morning Chronicle seven letters of Notes of a Tour in the United Kingdom, with a view to ascertain whether the labouring population be really redundant. His general conclusion is expressed in these terms:—"I have selected striking illustrations in support of the view I have always entertained, and which is at length obtaining verv general acquiescence: namely, that the population of the United Kingdom is not really in excess; that the land is everywhere—even in the most seemingly over-peopled and pauperized districts of Ireland—amply capable of repaying the employment of additional labour to an indefinite extent, if only judicious use be made of it by those whom the law has intrusted with its ownership, and that the law itself be so modified as to encourage, instead of discouraging, improvement, to secure to industry its due reward, and to neglect and mismanagement its fitting punishment."

The notes on Ireland, afford a frightful picture of one of the many evils with which that country is afflicted:

"In Galway Union, recent accounts declared the number of poor evicted, and their homes levelled within the last two years, to equal the numbers in Kilrush—4,000 families and 20,000 human beings are said to have been here also thrown upon the road, houseless and homeless. I can readily believe the statement, for to me some parts of the country appeared like an enormous graveyard—the numerous gables of the unroofed dwellings seemed to be gigantic tombstones. They were, indeed, records of decay and death far more melancholy than the grave can show. Looking on them, the doubt rose in my mind, am I in a civilized country? Have we really a free constitution? Can such scenes be paralleled in Siberia or Caffraria?"

ratio of increase from 1830 to 1834 to be maintained, and see what would have been the result. By the year 1839 it would have reached 300,000, and five years after it would have exceeded a million, and the growth would every year have been more rapid, for the demand for labour would have increased faster than the supply.

Before this time, the flight from Great Britain and Ireland alone would have far exceeded half a million per annum, and what would be the effect of such a state of things may be conceived by those who read the following article which I take from the London *Times.*

> The flight of a quarter of a million inhabitants of these islands to distant quarters of the world in 1847, was one of the most marvellous events in the annals of human migration. The miserable circumstances under which the majority left their homes, the element traversed in quest of a refuge, the thousands of miles over which the dreary pilgrimage was protracted, the fearful casualties of the voyage by shipwreck, by famine and by fever, constituted a fact which we believe to be entirely without precedent, and compared with which the irruption of the northern races into southern Europe became mere summer's excursions; but, perhaps the marvel of the event is surpassed this year. The impetus, or rather the combination of impelling causes, no longer exists. It might be supposed that so extensive a drain had exhausted the migratory elements of the nation.
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> It might also be expected that the countries which last year could not receive the fugitive masses without much difficulty and complaint, would have offered vehement protests against an immediate renewal of the hungry invasion. It is, nevertheless, the fact that the migration of this year is nearly equal to that of the last. The grand total from all the British ports for the first eleven months of last year was 244,251; for the first eleven months of this year, 220,053. Nor do these figures represent the whole truth of the case. They are merely the numbers of those who embarked at ports where there are government emigration officers, and who have passed under official review. Some thousands of the better class of emigrants are not included in the census. There can, therefore, be no doubt that in these two years more than half a million natives of these islands have fled to other shores.
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> The annual migration, it appears, is now approaching the annual increase of our population, which is vulgarly magnified into a thousand a day, but in fact is not more than about 290,000 in the year. Now, it is not to be imagined for a moment that Great Britain, at all events, has reached the limit of its population. The capital, the stock and the "plant" of the island are continually increasing and have lately increased more rapidly than ever. They also demand more and more hands for their further development. Under ordinary circumstances, therefore, we should be justified in dreading a migration which left the population stationary; and which, with a view to the growing trade and resources of the country, was rather a depopulation than anything else. At all events, the fact suggests that a spontaneous movement of so gigantic a character may well be left to itself, and requires no artificial stimulus. The matter certainly has come to that pass which makes caution the first duty of the state.
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> It is from Ireland that we draw our rough labour. The Celt—and we are bound to give him credit for it—is the hewer of wood and drawer of water to the Saxon. Can we spare that growing mine of untaught but teachable toil? *The great works of this country depend on cheap labour.* The movement now in progress bids fair to affect that condition of the national prosperity. The United States gain what we lose.

Protection is a measure of necessary defence against a system that tends to lessen everywhere the value of labour, and if applied effectually, the correction will be speedy, and thenceforward trade may everywhere be free. To those who doubt this, I would recommend an examination of the effects that would now result from the abolition of the tariff, and the substitution of free trade for the present imperfect protection. They could not but see that it would close every mill and furnace in the Union, cutting off a demand for 600,000 bales of cotton, and a supply of 700,000 tons of iron. Where then should we sell the one, or where buy the other? The labourer in factories and furnaces would then grow food, but the market abroad for food is now almost closed*—or cotton, and the market for cotton is already ruined whenever the crop touches the point of two millions and a half of bales. Protection is right or wrong. Free trade is right or wrong. If protection is right, it should be complete and fixed, until no longer needed. If free trade is right, custom-houses should be abolished. Halfway measures are always wrong.

The direct effect of the maintenance of the present system, that of 1846, is to cause renewed efforts on the part of England for engrossing the market of this country, whereas a return to that of 1842, were it made with the approbation and consent of all parts of the Union, would be followed by results that would compel a change of policy. The direct effect of a thorough and complete change in our system would be, that of teaching the whole people of England that if they "expect to be prosperous and happy, they must seek those blessings in the steady pursuit of a British policy—in cultivating domestic resources—in protecting domestic interests—in drawing closely the bonds of concord, strengthened by the ties of mutual dependence among themselves, and abandoning the shadowy and delusive expectation of finding compensation in foreign commerce for the destruction of the springs of domestic consumption."

The harmony of all real interests among nations is perfect. The system of England is rotten and unsound—injurious to herself and to the world. It is the cause of pauperism and wretchedness at home and abroad, and the more effective the measures that may be adopted for the purpose of compelling its abandonment, the better will it be for her and for ourselves. The road to absolute freedom of trade lies through perfect protection.

CHAPTER SIXTH.

HOW PROTECTION AFFECTS COMMERCE.

Commerce is an exchange of equivalents. The greater the number of commodities produced, the greater, other things being equal, will be the number of exchanges. Commerce tends, therefore, to grow with the increase of production.

The machine of production is the earth. The instrument by aid of which it is made to produce is man. To induce man to labour, he must feel confident of obtaining an equivalent; and the larger that equivalent, the stronger will be the inducement to exertion. The more advantageously his powers are applied, the larger will be the production, and the larger the equivalent of a given quantity of labour.

One man raises grain and another sugar. Each desires to exchange with the other, giving labour for labour.

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* The present price of flour in England varies little from $5. What is likely soon to be the price of pork, may be judged of from the following, which I take from the papers of the day.

A London letter, under date of Oct. 12, from a mercantile house extensively engaged in the trade, says: "We have the pleasure to hand you annexed our price current, in which you will see the comparative imports for the last three years; the present year showing an excess of 25,000 packages of American bacon more than the last. The general expectation with us is that prices must be very low the approaching season, from the increase of hogs in Ireland and Germany, and the very great production of hogs and all kinds of meat in this country more than usual. We incline to the opinion that should the same quantity and quality of American come to this market the next, as during the past season, one-half of it will have to be sold for soap purposes. You will have heard that our government contract for pork was taken at 10/ per cwt. less than last year, which we think is a pretty fair criterion of the market."

The quantity of grain that must be given for sugar is dependent upon the quantity of both produced. If the season be favourable for the first, the crop will be large. If unfavourable for the second, the crop will be small. Much grain will then be given for little sugar, and *vice versa*, if the season be favourable for sugar and unfavourable for grain, much sugar will be given for little grain. In either case both parties suffer, and commerce is diminished. Each is therefore directly interested in doing whatever may be in his power to increase the returns to the labour of his neighbour, and thus increase the extent of commerce.

To increase production is, then, to increase commerce. By ascertaining the circumstances which tend to limit the one, we shall ascertain those which tend to limit the other. To do so, it is needed only to call to our aid a few simple laws that may be found in any treatise of natural philosophy. They are these:—

First. The greater the power, other circumstances being equal, the greater will be the effect.

The producer of food labours every day and all day. The producer of sugar labours but three days in the week. The quantity of food produced is large and that of sugar small. The food-producer gives much food for little sugar—much labour for little labour.

What is true of individuals is equally true of communities. If the community of food-producers work every day, and that of sugar-producers but three days in the week, the whole of the first will be taxed because of the indolence of the last, and commerce will be diminished. If the whole community of food-producers work every day, and one half of that of iron-producers do not work—or if they apply their labour to other works than those of production—the quantity of iron produced will be small, and much food will be given for little iron. If the food-producing community could induce the workers in iron to labour every day and all day, there would be more iron to be given for food, commerce would be increased, and all would profit thereby. By what means could this be accomplished? To ascertain this, we must inquire the causes of their working so little. Doing so, we might find that among them there was a large proportion perfectly able to labour productively, but unwilling so to do; that some of them employed themselves in carrying muskets, casting cannon, building forts and palaces, constructing ships of war and sailing in them; and that others did nothing except so far as they were employed in devising modes of enabling them, out of the labour of others, to support themselves and those employed in the various operations to which I have referred; and that hosts of others were employed in carrying back and forth the products of the lands of others, and keeping accounts of what they did, and that thus one half of the community produced nothing, while consuming much. The other half we might find to consist of men who were sometimes willing to work but not able, having no work to do, and at others able but not willing, because of the small equivalent obtained, by reason of the necessity for contributing so large a portion of their earnings to the support of those who carried the muskets, built the ships and kept the accounts; and the result might be, that we should find that, although the food-producers gave much, the iron-producers received little, the principal part being swallowed up by the intermediate men, who consumed much while producing nothing. It is obvious that if all worked, there would be three times as much iron produced, that commerce would be increased, and that the producer of food would obtain far more iron as the equivalent of far less food. The food-producing community is therefore contributing largely towards the support of those of the iron-producing one who are able to work and not willing to do so; and their condition will be improved if they can induce those who are able and willing to work to come forth from among those who are neither able nor willing, leaving the latter class to produce food and iron for themselves. The amount of power to be applied will be increased, and the product will be greater, while there will be fewer among whom to divide it. The return to labour will be larger, and the power of accumulation will be increased.

Second. The more directly power is applied, the greater is its effect.

The producers of food and iron are distant from each other, and the labour required for effecting their exchanges is great. The one obtains his iron by the indirect process of raising food for distant men. The other obtains his food by that of making iron for distant men, and many horses and wagons, ships and men, stand between them. The friction is great and production is small. The equivalents to be exchanged are few in number, and commerce is limited. The equivalent of a day's labour in either food or iron is small. If the producer of iron could draw near to the producer of food, the number of horses and wagons, ships and men, standing between them, would be diminished, and the number of producers would be increased. The equivalents to be exchanged would increase in number, commerce would grow, and the equivalent of a day's labour would be greater.

Third. The more steadily power is applied, the greater is its effect. At one moment the wind blows a gale, while at another there is a calm. The steam-engine works every day and all day, and although the amount of power applied is less, the voyage is made in shorter time. To secure the steady application of power, the air-chamber is provided, and the force produced by the action of the piston-rod is by its aid distributed over the whole period intervening between the strokes.

The producer of food is often idle. At other times he is moderately employed. In harvest times he is hurried, and he loses part of his crop for want of aid. If he could have the equivalent of an air-chamber, by aid of which his efforts could be divided over the year, the return obtained for his labours would be largely increased.

The producer of iron may labour at all seasons, but a large portion of his work—the mining of coal and ore—may be done in advance, and when he has a stock on hand he can suspend his operations for a season. If the producer of food could induce him to come and labour in his vicinity, he could at one period of the year help him to mine or transport ore and fuel, and the other could, at another period, aid him in gathering his crop. The first could then cultivate more land, and the equivalent of labour, in both food and iron, would be increased, and commerce would grow in extent with the increase of equivalents to be exchanged.

Fourth. The more perfect the machinery the smaller will be the quantity required, the less will be the friction, and the greater will be the effect. The iron wheels of the engine encounter little friction in passing on the iron rail, and the force of a man's hand moves tons, where, if applied to a cart-wheel, it could not move a hundred.

The producer of food obtains from the distant iron man small supplies of iron as the equivalent of large quantities of food. He is therefore obliged to use wood where he would desire to use iron. The friction is great, and labour is unproductive. The equivalent of a day's labour is small. If he could induce the iron man to come near him, the equivalent of labour would be largely increased, and he could use iron in place of wood.

Fifth. The more enduring the machinery, the smaller will be the quantity of labour required for its reproduction, and the greater will be the quantity that may be given to the production of further machinery. The wooden post rots, and must be replaced. The iron one endures almost for ever.

The producer of food, distant from the producer of iron, builds ships, and fences his land with wooden posts. Much of his time is occupied in repairing and renewing them. If he could induce the producer of iron to live near him, he would assist in building furnaces, and might then use iron posts; and then labour that would otherwise be employed in renewing old, might be given to creating new machinery of other kinds, to aid in the work of production, and the equivalent of a day's labour would be increased.

We see, thus, that the larger the quantity of labour, and the more directly and steadily it is applied, and the more perfect and enduring the machinery by which it is aided, the larger is the return to labour, and the greater the number of equivalents to be exchanged.

Let us now suppose, first, that one community has it in its power to monopolize the production of iron, and that of its members many spend all their time in idleness, while others are but occasionally employed—that many spend their time in carrying muskets on their shoulders, while very many are dissolute and drunken—and that the result is, that the quantity of iron produced is but one half or one-third of what it would otherwise be. Commerce is but an exchange of equivalents, and the quantity of food that must be given for a ton of iron is double what it would otherwise be. It is obvious that the food-producing community is taxed for the support of the idle and worthless members of the iron-producing community.

Second. That, in addition to all this, the iron-producing community is thus enabled to compel the food-producing community to be idle, when their labours are not needed on the farm, and to lose their crops for want of aid in harvest. It is obvious that here is a second tax imposed for the support of the non-workers among the producers of iron.

Third. That the scarcity of iron compels the food-producing community to use wagons and common roads when they might have railroads, and to give to the work of transportation ten days' labour instead of one. Here, again, we have a tax imposed for the support of the non-workers among the producers of iron. The food-producers are compelled to transport their products to a distance, and deprived of the power to make roads by which to do it.

Fourth. That the producers of food are compelled to employ more labour in building ships and wagons, and other perishable machinery, than would have been sufficient to build the furnaces and rolling mills, enduring machinery, required to give them all the iron they consumed. Here we have a fourth tax imposed for the support of the non-workers among the producers of iron.

Each one of these operations tends to diminish the number of equivalents that may be exchanged, the number of exchanges made, and the equivalent of a day's labour, in food, iron, or other of the comforts or conveniences of life, and the result is, that the product of labour is scarcely one-fifth of what it would be, were all productively employed.

These things premised, we may now examine the working of the colonial system.

Colonists are men who work. Of those who remain behind, a large portion do not work. Some live in poor-houses, and others in palaces. Some dance and sing, and others carry muskets. Some build ships of war, and others sail in them. The producers are few. The non-producers are many; yet they must eat, drink, wear clothing, and have houses, and these things must be provided for them by those who work. If all worked, the quantity of iron produced would be large, and those who produced food would get much iron in exchange. As few desire to work, and all must eat, the colonial system was invented for the purpose of compelling colonists to give much food and wool for little iron. The consequence has been everywhere the same.

While thus taxed for the maintenance of the money-spending classes, the colonists everywhere have been compelled to waste much labour, to work with poor machinery, and to give more of the products of labour for the use of that which is perishable than would have produced that which would endure almost for ever. Production is small. The equivalents to be exchanged are diminishing in number. Commerce is perishing.

The Irishman is compelled to waste much labour.* He works with poor machinery. He gives half the product of his labour for the use of wagons and ships. He eats his crop of potatoes, and goes in rags. He has nothing to exchange.† He flies to America, and the number of exchanges to be made in Ireland, and from Ireland, is thus diminished.

The Hindoo flies from the valleys and plains to the hills, that he may escape from the system. Arrived at the hills, he finds no demand for his labour but in the cultivation of his little piece of land. He works with poor machinery, and his miserable product of fifty pounds of cotton to the acre is transported to Manchester, thence to be returned to him in the form of cloth, getting one pound for ten; and thus giving nine-tenths of his labour for the use of ships and wagons, perishable machinery, when one-fifth would have done the work at home, could he have had permanent machinery. He flies again, or he dies of famine and pestilence, or he sells himself as a slave, to go to Demerara; and thus is the number of the exchanges of India, and from India, diminished.

Men are everywhere flying from British commerce, which everywhere pursues them. Having exhausted the people of the lower lands of India, it follows them as they retreat towards the fastnesses of the Himalaya. Affghanistan is attempted, while Scinde and the Punjaub are subjugated. Siamese provinces are added to the empire of free trade, and war and desolation are carried into China, in order that the Chinese may be compelled to pay for the use of ships, instead of making looms. The Irishman flies to Canada; but there the system follows him, and he feels himself insecure until within this Union. The Englishman and the Scotchman try Southern Africa, and thence they fly to the more distant New Holland, Van Diemen's Land, or New Zealand. The farther they fly, the more they must use ships and other perishable machinery, the less steadily can their efforts be applied, the less must be the power of production, and the fewer must be the equivalents to be exchanged, and yet in the growth of ships, caused by such circumstances, we are told to look for evidence of prosperous commerce!

The British system is built upon cheap labour, by which is meant low priced and worthless labour.* Its effect is to cause it to become from day to day more low priced and worthless, and thus to destroy production upon which commerce must be based. The object of protection is to produce dear labour, that is, high-priced and valuable labour, and its effect is to cause it to increase in value from day to day, and to increase the equivalents to be exchanged, to the great increase of commerce.

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* In 1842, three years before the potato rot, Ireland was thus described by an English traveller: "Throughout the south and west of Ireland, the traveller is haunted by the face of the *popular starvation.* It is not the exception—it is *the condition* of the people. In this fairest and richest of countries, men are suffering and *starving by millions.* There are thousands of them, at this minute, stretched in the sunshine at their cabin doors with *no work*, scarcely any food, no hope seemingly. Strong countrymen are lying in bed, '*for the hunger*'—because a man lying on his back does not need so much food as a person a-foot. Many of them have torn up the unripe potatoes from their little gardens, and to exist now must look to winter, when they shall have to suffer starvation and cold too."—*Thackaray. Irish Sketch Book.*

† People with whom starvation is "the condition" of life, consume little of that clothing which England furnishes in exchange for so much labour.

"Everywhere, throughout all parts, even in the best towns, and in Dublin itself, you will meet men and boys—not dressed, not covered—but hung round with a collection of rags of unrivalled variety, squalidity, and filth—walking dunghills. * * * No one ever saw an English scarecrow with such rags."—*Quarterly Review.*

Transferred to this country, every one of these men would become a large consumer of food and cotton, and thus commerce would be increased.

The object of what is now called free-trade is that of securing to the people of England the further existence of *the monopoly* of machinery, by aid of which Ireland and India have been ruined, and commerce prostrated. Protection seeks *to break down this monopoly*, and to cause the loom and the anvil to take their natural places by the side of the food and the cotton, that production may be increased, and that commerce may revive. How far it has tended here to produce that effect we may now examine.

Prior to the passage of the tariff of 1828, our exchanges of iron amounted to only 25 pounds per head. By 1832 they had increased to 46 pounds per head. Commerce thus had grown. From 1834 to 1841, they averaged 45 pounds per head. Commerce was stationary. In 1841 and '42, it fell to 38 pounds. Commerce had fallen with what was called free-trade. From 1844 to 1847, the equivalents of iron to be exchanged had increased to 97 pounds per head. Commerce had grown with protection. They are now 73 pounds per head. Commerce has fallen with the diminution of protection. If we turn now to coal, cotton, woollens, ships, or railroads, similar facts meet us everywhere. The number of exchanges grows with the system that looks to the elevation of the labourer. It diminishes with that which looks for its growth to the depression of the labourer. The interests of commerce are therefore in perfect harmony with those of manufactures and agriculture.

The one system repels population. The other attracts it, and hence it is that we see the whole people of Europe anxious to reach our shores. Abolish protection and immigration will cease, and commerce will diminish, for there will be less cloth and iron to be exchanged against labour. Make protection perfect and permanent, and immigration will increase rapidly, for there will be more cloth and iron to be exchanged against labour.

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* The poor silk weaver described in the following paragraph, which I take from the London *Spectator*, is the type of the system. He works so 'cheap' that he starves the poor Hindoo, and then starves himself. "His case *would not* be cured by protection." What he needs is the transfer of his labour from what is here called "production," but what is really only the conversion of the products of others, to that only thing which can be called production, and which consists in an increase of the *quantity* of commodities to be consumed. He merely changes their form from silk to silken cloth. Were his labours employed on any of the many millions of rich yet waste land within the kingdom, he would obtain more and better food, at less cost of labour. He could then feed better, and have more to offer in exchange. Commerce would then grow.

"Nearer to us, in the outlying parts of the metropolis, the traveller of 'The Morning Chronicle' describes regions where the people are hopelessly contending with a system of industry that is fostered by commerce, because it yields 'profit,' and is peopled, because it sometimes yields subsistence—the means of keeping body and soul together, though not always that. We know that the describer does not exaggerate. Many and many a man toils, with others of his family, from dark before the dawn until far into the next night, as long as human endurance will last, and *then* the produce of their industry falls short of subsistence. You say, 'it is a decaying trade.' It is not a decaying trade: read 'The Morning Chronicle,' and see how the workman makes silk which, in spite of free trade, not only beats the Frenchman out of the market, it is so good and so 'cheap,' but is further cheapened to bribe customers with reductions of prices filched from the wages of the miserable workman. Protection would not cure that man's case. Go round the district, stranger to you than Brussels, Lyons, or Genoa, and survey the dull, level aspect of poverty over all—poor workpeople, poor small tradesmen—a town of back streets. See the number of shops dealing in articles at second hand—not merely pawn-shops, but small clothes-dealers, traders in shop-marked stationery, dealers in apples that have seen better years in happier regions; the very grocery looks window-stained. Production, production, in a ceaseless round, but not enough subsistence for that sad nation; many things made and sold, and resold, but too few of them things to eat."

Were Ireland this day free, she would establish protection and thus arrest emigration. Food, and cloth, and iron, would become more abundant, and commerce would grow. Were Canada independent, she would establish protection, and then she would retain the immigrant coming from Ireland or England. Were India independent, she too would establish protection, and then the culture of cotton would be resumed on the rich lands of Bengal. In all these cases production would be increased, and the power to maintain commerce would grow. The people of the United States are the best customers to the people of England, because they are in some degree protected against the exhaustion consequent upon the existence of their system. Ireland cannot buy, and she is reduced to beg. Were she independent she would make iron, and then she could buy fine cloths, silks, books and pictures. The well-understood interests of all nations are in perfect harmony with each other.

The object of free trade is proclaimed to be the increase of commerce, but commerce withers under it. Ireland now consumes a pound of cotton per head. Transfer an Irishman here, and he will consume a dozen pounds, and 700,000 of her people would make more trade between the producers and consumers of cotton than is now maintained with the whole eight millions of Ireland. Were she free, she would adopt protection, and trade would grow, for she would then need six pounds per head. The commerce of the *Zollverein* has grown with protection. The people of Germany now consume two pounds of cotton where before they consumed but one. The commerce of India diminishes with every approach to what is called free trade. The producers of cotton on the lower lands of Bengal could have, as the equivalent of a day's labour, quadruple the iron that can be obtained now that the cultivator of that commodity has been driven to seek the high and poor lands.

The free trader, so called, says to the farmer, "You can have English iron in New York for thirty bushels of wheat, but you must hand over to the Treasury ten bushels for permission to make the exchange. If you take a ton of American iron, you must give to the producer of it forty bushels, and thus are you taxed ten bushels for the support of the iron man." Abolish protection and we shall have more food to sell abroad and more iron to buy abroad, and will need more wagons and ships, and it will then take sixty bushels of wheat—perhaps even one hundred—to pay for a ton of iron. The quantity to be exchanged will then fall to 20 pounds per head, and commerce will be diminished.

The farmer has his choice between giving *thirty* bushels for the support of the people who dance and sing and live in palaces, and that of those who carry muskets, or *ten* for the maintenance of the government under which he lives. The more he gives to the first, the more and the longer he must continue to give, the poorer he must grow, and the less will be the power to maintain commerce. That such is the case will be obvious from an examination of facts given in the last chapter. In the years from 1827 to 1834, 275,000,000 pounds of cotton would have purchased 1,250,000 tons of iron. In 1845–6, 600,000,000 were required to pay for 1,200,000 tons. What became of the difference? Were the English miners better clothed? On the contrary, it was but little before that time that it was made known to the world that males and females worked together in the mines, absolutely naked. Was the condition of the people better? On the contrary, Ireland was fast becoming a great poor-house, and the poor-rates of England were fast advancing to the point they have now attained, that of £8,000,000 per annum. What then went with the difference? The question may be answered by pointing to the vast increase of public expenditure in the last fifteen years, during which the number of men who carry muskets and build ships of war has been so largely increased; to the innumerable and expensive commissions for ascertaining the causes of distress and pauperism; to the great fortunes of bankers and successful speculators; to men like Hudson, the rail-road king; to the large number who have in the late railroad speculation realized immense fortunes, as engineers, solicitors, counsellors and parliamentary agents, and to the host of others who fatten on the people. The productive power is diminishing, and the few become greater as the many become less. With every step in the progress of the latter, the power to maintain commerce diminishes, for the people become poorer, and the power to produce commodities to be given in exchange becomes more and more limited.

Whatever the occurrence that tends to diminish production, whether wars or revolutions, the increase of armies and fleets without the actual occurrence of war, or the increase of inequality, the few becoming richer and the many poorer, the effect is to impose a tax upon the consumers of the commodity the production of which is thus restrained. Under a system of real freedom of trade the chief portion of this tax would be paid by the actors themselves, for the immediate effect of such occurrences would be that of stimulating other nations to increased exertions to fill the vacuum that had been created. Under the system which gives to one nation a monopoly of the machinery for converting the products of other nations, a large portion of the tax may be, and is thrown upon them, and thus are they made to contribute largely towards the maintenance of all that class, poor and rich, who prefer to live by the labour of others.

We have seen that the quantity of cotton consumed in 1845 and '46 averaged 596,000,000 pounds, that the price of gray cloth was 6*s.* 7*d.*, and that 34,700,000 pieces delivered in Liverpool would have been required to pay for the cotton also delivered in Liverpool—all freights, charges, &c., being thus left for the planter to pay.

The average work of operatives in this country would be the conversion of 4000 pounds of cotton into cloth of this description. In England, we may set it down at 3000, and this would require 200,000 to convert the whole quantity. Allowing them to average even £30 each,* the wages would amount to £6,000,000, and the product would be 92,000,000 of pieces, 35,000,000 of which would pay for the cotton, leaving 57,000,000

Worth	£19,000,000
From which deduct the labour performed, say,	6,000,000†
And there remain for interest, profits, &c., .	£13,000,000

In order that large profits be realized, it is necessary that the price of the raw material be kept low; a state of things which results necessarily from the quantity requiring to be converted bearing a large proportion to the machinery prepared for its conversion. The mode of accomplishing this is simple. The first indication of a tendency to rise in the price is met by working short hours, the effect of which is to diminish the wages of labour to a point so near the cost of food and rent, and taxes on both, that the power of purchasing clothing is almost destroyed; and therefore it is that we see such prodigious changes in home consumption whenever a small rise of prices takes place. The stock begins to accumulate, and with its accumulation the price falls. Mills again run full time, and so they continue until another rise takes place, when the same operation is performed, as is at this moment being the case.

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* The result of careful inquiry, in 1833, gave 10*s.* 5*d.* as the average of operatives, male and female, mechanics, engineers, &c. This would be £27, 1*s.* 8*d.* for the year

† This is 2⅖*d.* per pound, which is much more than the truth.

The exchanger, owner of machinery, thus stands between the labourer who produces, and the labourer who consumes the cotton, fixing the price for both, and taking for himself the largest share; and thus it is that men accumulate colossal fortunes, while surrounded by men, women, and children living in poverty and clothed in rags.* Of the burden thus thrown upon

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* Rothschild may be taken as the type of the whole system, and the following notice of him and of his modes of taxing those by whom he was surrounded, furnishes a picture of the speculators of every kind, in England, who live at the cost of the labourers of the world :—

"The name of Nathan Meyer Rothschild was in the mouths of all city men as a prodigy of success. Cautiously, however, did the capitalist proceed, until he had made a fortune as great as his future reputation. *He revived all the arts of an older period.* He employed brokers to depress or raise the market for his benefit, and is said in one day to have purchased to the extent of four millions. The name of Rothschild as contractor for an English loan made its first public appearance in 1819. But the twelve millions for which he then became responsible went to a discount. It was said, however, that Mr. Rothschild had relieved himself from all liability before the calamity could reach him. From this year his transactions pervaded the entire globe. The Old and the New World alike bore witness to his skill; and with the profits of a single loan he purchased an estate which cost £150,000. Minor capitalists, like parasitical plants, clung to him, and were always ready to advance their money in speculations at his bidding. Nothing seemed too gigantic for his grasp; nothing too minute for his notice. His mind was as capable of calculating a loan for millions as of *calculating the lowest possible amount on which a clerk could exist.* Like too many great merchants, whose profits were counted by thousands, *he paid his assistants the smallest amount for which he could procure them.* He became the high-priest of the temple of Janus, and the coupons raised by the capitalist for a despotic state were more than a match for the cannon of the revolutionist.

"From most of the speculations of 1824 and 1825, Mr. Rothschild kept wisely aloof. The Alliance Life and Fire Assurance Company, which owes its origin to this period, was, however, produced under his auspices, and its great success is a proof of his forethought. None of the loans with which he was connected were ever repudiated; and when the crash of that sad period came, the great Hebrew looked coldly and calmly on, and congratulated himself on his caution. At his counting-house, a fair price might be procured for any amount of stock, which, at a critical time, would have depressed the public market; and it was no uncommon circumstance for brokers to apply at the office of Mr. Rothschild, instead of going in the Stock Exchange. He has, however, been occasionally surpassed in cunning; and on one occasion a great banker lent Rothschild a million and a half on the security of consols, the price of which was then 84. The terms on which the money was lent were simple. If the price reached 74, the banker might claim the stock at 70; but Rothschild felt satisfied that, with so large a sum out of the market, the bargain was tolerably safe. The banker, however, as much a Jew as Rothschild, had a plan of his own. He immediately began selling the consols received from the latter, together with a similar amount in his own possession. The funds dropped; the Stock Exchange grew alarmed; other circumstances tended to depress it; the fatal price of 74 was reached; and the Christian banker had the satisfaction of outwitting the Hebrew loanmonger. But, if sometimes outwitted himself, there is little doubt he made others pay for it; and, on one occasion, it is reported that his finesse proved too great for the authorities of the Bank of England. Mr. Rothschild was in want of bullion, and went to the governor to procure on loan a portion of the superfluous store. His wishes were met; the terms were agreed on; the period was named for its return; and the affair finished for the time. The gold was used by the financier; his end was answered, and the day arrived on which he was to return the borrowed metal. Punctual to the time appointed, Mr. Rothschild entered; and those who remember his personal appearance may imagine the

the planter much goes to the payment of taxes for the maintenance of those who are reduced by the system to a state of pauperism—much to the government, which taxes every note, bill or bond — servants, horses, carriages, &c. &c. Vast sums go to the maintenance of lawyers and conveyancers, to that of stock-gamblers and speculators, and much is lost by failures of every kind, the natural results of a gambling trade. The result is, that the cotton which yields the planter, on his plantation, but five cents per pound, and is sold in Liverpool at four-pence halfpenny per pound, is sold by the mill owner at a shilling,* and yet the reward of the labour employed in converting it into cloth is not two-pence, and probably little more than a penny per pound. It is so obviously the interest of mill owners to obtain large allowances for the use of machinery, that it cannot be doubted they will continue to pursue this course, and to make every effort that may be necessary to continue to themselves the control of the cotton market. That control depends upon continuing the monopoly of machinery; and the moment that monopoly shall be broken up, and machinery shall become so abundant elsewhere as to relieve the planter from the necessity for *seeking* a market, the power of taxation will pass away, cloth will be cheap, consumption will be trebled, and the producer will grow rich.

We may now, for a moment, look to the manner in which the sugar-planter is taxed. The quantity of sugar entered for home consumption in 1847 was 5,800,000 cwt., and the average price was about 25*s.* per cwt., of which at least one-fourth, and very probably one-third, went to pay the cost of transportation in and from India, the Isle of France, Brazil, Cuba, Jamaica, &c., storage, commission, &c.

Allowing it to have been three-tenths, the planter had at his command about £5,000,000

The price of iron was £9, 12*s.* and if we now add to this for the transportation to Cuba, Brazil, India, &c., and from the port to the plantation, only £1, 8*s.* we have £11 as the cost of a ton, at which rate 450,000 tons would amount to £4,950,000
and if the account were more accurately made up, it would not probably amount to 400,000 tons.

To add that quantity in a single year to the product of iron in this country, would not require the slightest exertion, and yet we see here that in return for it, small as it was, England obtained, in 1847, more than one-fourth of the products of the labour of all the sugar-producing countries of the globe! A very slight examination of this statement will show in what manner the people of the world are taxed for the maintenance of iron-manufacturers, railroad speculators, and the host of middle-men, with whom England so much abounds. Her producers are few, and her consumers are many, and the materials for their consumption are obtained by means of a system of taxation the most extraordinary that the world has yet seen.

The object of protection is not only to rescue ourselves from the necessity of contributing to the maintenance of such a system, but also to facilitate the process of emigration from lands so taxed, adding to the value of the people who remain, by diminishing the supply of men in market, and com-

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cunning twinkle of his small, quick eye, as, ushered into the presence of the governor, he handed the borrowed amount in bank notes. He was reminded of his agreement, and the necessity of bullion was urged. His reply was worthy of a commercial Talleyrand. 'Very well, gentlemen. Give me the notes. I dare say your cashier will honour them with gold from your vaults, and then I can return you bullion.' To such a speech, the only worthy reply was a scornful silence."

* The piece which sold at 6*s.* 7*d.* required to produce it about 6½ pounds of cotton The price was thus almost exactly a shilling per pound.

pelling those who desire to purchase labour to give for it the proper equivalent in food and raiment, which now they do not. With every step in that direction, their power to produce iron and to consume food and clothing must grow, and the power to maintain commerce must increase.

We have seen that iron was much more costly in 1845–6 than from 1827 to '34. In opposition to this unquestionable fact, the late Secretary of the Treasury asserted that, "experience proves that from improved machinery, new inventions and reduced cost of production, the foreign articles are constantly diminishing in price."* In opposition to this we have the fact that not only was iron higher but cotton was lower. The man who gave two pounds of cotton in 1845–6 for less iron than he could have had in 1833–4 for one, found that the price of iron was increasing and not diminishing, and that it was far more difficult than in the former period to obtain what he needed for the construction of machinery. His wages in iron were thus reduced, and his power to accumulate capital was reduced; whereas, if he had made his exchanges on the spot with the producer of iron, both would have grown. Nevertheless we are told by the same authority that the necessary consequence of the protective system is, that "wages throughout the country became lower than before, because the aggregate profits of the capital of the nation engaged in all its industry is diminished."† It is deemed most profitable to trade with those nations whose labour is low, and the lower it is "the greater is our gain in the exchange." The labour of Great Britain is lower than it was fifteen years since, because it is less productive, and the less her people produce, the less they have to give us in exchange for our products; the consequence of which is, that we give more cotton for less iron. If all the people of England were to work, they would produce far more cloth and iron; wages would then rise, and the equivalent of a bale of cotton in iron would be doubled. The more productively the people of the world are employed, the greater will be the value of their labour, and the larger will be the quantity of good things that we shall obtain in exchange for our labour. The larger their armies, the more destructive their wars, the more numerous their revolutions, the more their money-spending classes, paupers and noblemen, abound, the smaller will be the value of labour abroad, the smaller will be their power to maintain commerce, and the smaller will be the advantage to those who trade with them; for the less silk or iron they produce, the more food or cotton must be given them as the equivalent of similar quantities.

The document to which I have above referred belongs to the school of discords; that which teaches to buy in the cheapest and sell in the dearest market, and sees great advantage to be gained by reducing the cotton of the poor Hindoo to a penny a pound, careless of the fact that famine and pestilence follow in the train of such a system. The policy that produces a *necessity* for depending on trade with people who are poorer than ourselves tends to reduce the wages of our labour to a level with theirs, and to diminish commerce. That which should give us *power* to trade with nations who might be richer than ourselves would tend to raise our wages to a level with theirs. By bringing the Irishman here, and enabling him to make his exchanges with us, we raise him to our level as a producer. By exporting our people to Ireland, and compelling them to make their exchanges there, we should sink their wages to a level with those of that country. The policy that brings people here and raises them in the scale of civilization, is that which promotes commerce. That which causes them to return home, and thus arrests the tide of immigration, preventing advance in civilization, is the one which diminishes commerce.

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* Report, December, 1848

† Ibid.

CHAPTER SEVENTH.

HOW PROTECTION AFFECTS THE QUANTITY AND QUALITY OF THE MACHINERY OF PRODUCTION.

THE object sought to be accomplished is the improvement of the condition of man. The mode by which it is to be accomplished is that of increasing his productive power. The more food a man can raise, the more and better food may he consume, and the larger will be the surplus that can be appropriated to the purchase of clothing, to the education of his family, to the enlargement of his house, or to the improvement of his machinery, and the greater will be the amount of leisure that can be appropriated to the improvement of his modes of thought.

The better his machinery, and the more readily it can be obtained, the larger will be his production. Machinery consists chiefly of iron, and the more readily that can be obtained, the more rapid will be the increase of production and the improvement of the physical, moral, intellectual and political capacities of man. It is the great instrument of civilization.

The more durable his work, the more rapidly will his capital increase. Where iron is abundant it is substituted for wood in the building of houses, which are thus secured from fire, and in the construction of ships and roads, by which transportation is improved—and with each such step his powers of production are increased.

That he may obtain iron readily, he must have the command of fuel, obtainable at moderate cost of labour—in other words, cheaply—for things are cheap or dear not in proportion to their money-price, but to the quantity of labour required for obtaining them. The money-price of grain, in Ireland, is less than in England, yet the cost in labour is so great that the poor cultivator eats still poorer potatoes. The money-price of coal is less than it was two years since, yet the consumption has diminished, because the labour-price has risen. The money-price of cotton in those parts of India in which it is raised, is about two cents per pound, yet the man who raises it covers his loins with a rag, dispensing with clothing for the rest of his body, because the labour-price of cloth is great. Where production is small, the labour-price of commodities is high, and consumption is very small; and *vice versa*, where production is large, the labour-price of commodities is low, and consumption is great.

Large production requires good and cheap machinery, and that we may obtain such machinery, we must have good and cheap fuel. Abundance of fuel and iron are the foundation upon which civilization must rest, and whatever the course of policy that tends most to facilitate their acquisition, that is the one which must tend most rapidly to augment the productive power of man, and to increase his power and his capacity for improvement.

Iron ore and fuel exist throughout this country in such profusion as is elsewhere unknown. Nowhere in the world can they be so readily obtained—nowhere so easily brought into combination with each other. The anthracite of Pennsylvania is the best fuel in the world, and it can be mined as cheaply as any other. It is interstratified with iron ore in great abundance. Limestone abounds close to the great Schuylkill region, and it may be obtained with as little labour as anywhere in the world. The ores and fuel of Ohio and the West are thus described:—

> The beds of ore are easy of access, being and associated with materials necessary for its reduction, cannot fail to be of immense sources of wealth. Most of the working-beds of ore are above the first workable bed of coal. The amount of workable ore in Muskingum county is estimated at 153,600,000 cubic yards, which, when melted, will yield about

half that number of tons, in pigs. We need not now speak of localities. Mr. Briggs closes his report on iron ore as follows:—"A very low calculation of the amount of good iron ore in the region which has this season been explored, is equal to a solid, unbroken stratum, sixty miles in length, sixty miles in width, and three feet in thickness. A square mile of this layer, being equivalent in round numbers to three millions cubic yards, when melted, will yield as many tons of pig iron. This number, multiplied by the number of square miles in the stratum, will give 1,080,000,000 tons; which, from three counties alone, will yield annually, for 2700 years, 400,000 tons of iron—more than equal to the greatest amount made in England previous to the year 1829."—*Ohio Paper.*

The country bordering on Carp River (Lake Superior) is, perhaps, the richest on the globe for its iron ore. The "Jackson Iron Company," whose location we had the pleasure of visiting, is situated some twelve miles from the Lake Shore, and about three miles from the iron mountains. One of these mountains belongs to the above-named company, and the other to the "Cleveland Iron Company." These two mountains, as we were informed, are by far the richest and most valuable of any iron deposit that have been discovered—though it is said that more or less iron ore is found spread over some seventeen or eighteen townships between Lake Superior and Green Bay. This ore contains from 75 to 90 per cent. of pure iron, and metal made from it by the Jackson Company has been submitted to the severest tests, and proves to be of the very best quality of iron that is made in any part of the world, having been drawn down to the size of No. 36 wire. The Jackson Iron Company (under the superintendence of P. M. Everett, Esq., who we now understand leaves, and is succeeded by Czar Jones, Esq., of Jackson) has been making iron for some twelve or eighteen months.—*Lake Superior News.*

Such being the case, we might suppose that the consumption of fuel and iron would be great, but such has not been the case.

In 1810, the domestic manufacture amounted to only 50,000 tons. In 1828, it had reached 100,000. In 1818, '19, '20, it may perhaps have reached 70,000, but even that is very doubtful. The total importation of bar and pig iron in those years was 40,000 tons, or 13,333 per annum. The import of manufactured articles of iron may have been half as much, and this would give a consumption of 90,000 tons, or 200,000,000 of pounds for a population of 9,400,000 persons, being a little over 20 pounds per head. The average consumption of the Union for all purposes, for house-building and ship-building, for agricultural implements, and for machinery of every description, was equal, therefore, to little more than twice the weight of an axe per head per annum, and yet there existed, as there now exists, a capacity to produce iron at less cost of labour than anywhere in the world. If we desire now to understand the cause of this, it may be found in the fact that up to the Revolution, the manufacture of iron, even that of horse-shoe nails, was prohibited, and there existed no inducement to erect works for the smelting of the ore, when the pig could not be used. The consequence was, that it did not grow with its natural growth, while that of England was forced forward, and when the day of nominal independence arrived, that of real independence was still far distant. Under the various tariffs from 1789 to 1812, the duties were ad-valorem, commencing with 7½ per cent. and gradually rising until they had attained, before the war of 1812, 17½ per cent. The production of iron had made no progress, and the whole supply had to be sought abroad, the consequence of which was that it was scarce and dear. Embargo, non-intercourse, and war raised the price so high that furnaces were built in considerable numbers; but with the peace, the duties on manufactured iron were reduced to 20 per cent. The demand for pig iron was thus diminished, and the price in Pittsburgh, which had been $60, fell in 1820 and 1821 to $20, the consequence of which was the ruin of nearly all engaged in its production. This, however, was not a consequence of reduction of duty. At that very time the duty on pigs was $10, and on bars $30 per ton, and thus the selling price at that place was *far less than the freight and duty on imported iron.* Iron was nominally cheap, but really dear: so dear that consumption was destroyed. Labour was at $6 per month, and wheat sold for 25 cents a bushel, and thus was produced so total an inability to consume this most necessary of all commodities, that although the furnaces were closed, the whole import of pig and rolled iron in 1821, was but 4000 tons, or one ton to every 2,500 persons. It may be doubted if the consumption of that year exceeded six pounds per head. We see thus that the power to import disappeared with the power to produce, as has already been shown to have been the case on other occasions.

Who, now, were the losers by the greatly increased difficulty of obtaining this great instrument of civilization? To answer this question, we must first inquire who are the great consumers of iron? The farmers and planters constitute three-fourths of the population of the nation, and if the loss were equally distributed, that portion of the loss would fall upon them; but we shall find upon inquiry that it is upon them, the producers of all we consume, that the whole of it must fall.

The farmer needs iron for his spades and ploughs, his shovels and his dung-forks, his trace-chains and horse-shoes, and his wagon-wheels; for his house, his barn, and his stable. He needs them, too, for his timber. If iron be abundant, saws are readily obtained, and the saw-miller takes his place by his side, and he has his timber converted into plank at the cost of less labour than was before required to haul the logs to the distant saw-mill. He obtains the use of mill-saws cheap. If iron be abundant, the grist-mill comes to his neighbourhood, and now he has his grain converted into flour, giving for the work less grain than was before consumed by the horses and men employed in carrying it to the distant mill. If iron be abundant, spades and picks are readily obtained, and the roads are mended, and he passes more readily to the distant market. If iron increase in abundance, the railroad enables him to pass with increased facility, himself, his turnips and potatoes, to markets from which before he was entirely shut out by cost of transportation, except as regarded articles of small bulk and much value—wheat and cotton. If iron be abundant, the woollen-mill comes, and his wool is converted on the spot by men who eat on the ground his cabbages and his veal, and drink his milk, and perform the work of conversion in return for services and things that would have been lost had they not been thus consumed. At each step he gets the use of iron cheaper—that is, at less cost of labour. If iron be abundant, the cotton-mill now comes, and the iron road now brings the cotton, and his sons and his daughters obtain the use of iron spindles and iron looms by which they are enabled to clothe themselves at one-twentieth of the cost of labour that had been necessary but twenty years before. Instead of a yard of cotton received in return for two bushels of corn, one bushel of corn pays for six yards of cloth—and now it is that the farmer grows rich.

A careful examination of society will satisfy the inquirer that all the people engaged in the work of transportation, conversion, and exchange, are but the agents of the producers, and live out of the commodities they produce, and that the producers grow rich or remain poor precisely as they are required to employ less or more persons in the making of their exchanges. The farmer who is compelled to resort to the distant mill employs many persons, horses, and wagons, in the work of converting his grain into flour, and his land is of small value. Bring the mill close to him, and a single horse and cart, occasionally employed, will do the work. The farmer who employs the people of England to produce his iron, is obliged to have the services of numerous persons, of ships and wagons, and horses, to aid in the work. Bring the furnace to his side, and let his neighbour get out his iron, and he and his sons do much of the work themselves, furnishing timber, ore, and the use of horses, wagons, &c., when not needed on the farm.

The man of Tennessee sends to market 300 bushels of corn, for which he receives in return one ton of iron, the money-cost of which is $60, but the labour-cost of which is the cultivation of ten acres of land. If he could follow his corn, he would find that the men who get out his iron receive but 30 or 40 bushels, and that the remaining 260 or 270 are swallowed up by the numerous transporters and exchangers that stand between himself and the men whom he thus employs. If, now, he could bring those men to his side, giving them double wages, say sixty bushels of corn, he would be a gainer to the extent of 240 bushels. While he has to give 300 bushels, his iron is dear, and he can use little. When he obtains it for 60 bushels it is cheap, and he uses much. His production increases, and his ability to use iron increases with it, and the demand for workers in iron increases, and all obtain food more readily, the consequence of which is that they have more to spare for clothing, and for other of the comforts or the luxuries of life.

Whenever there is in market a surplus of any commodity, the whole quantity tends to fall to the level of the lowest price required to enable the holders to find purchasers, and so long as we shall continue to have a surplus of food for export, the price of the whole must continue to be regulated by that which can be obtained for the trivial quantity sent to Liverpool.

Whenever it is necessary to resort to distant places to procure a part of the supply of any commodity, the price of the whole is regulated by the cost of obtaining this last small portion. In 1847, we produced 800,000 tons of iron, yet the demand was so much in advance of the supply that we were obliged to import a small quantity, and the price at which that was obtained fixed the price of the whole. The farmer is thus always selling in the cheapest and buying in the dearest market. The labour and capital required to produce a ton of iron, are not as great as are needed for the production of forty bushels of corn, and yet he gives for it three hundred, because of the quantity of labour wasted in transporting the one to the man who produces the other.

The prices of labour and iron are both higher than in Europe, and therefore we import both. The price of food is lower than in Europe, and therefore we export it. Whenever the import of labour shall be such as to do away with the *necessity* for exporting food, as food, its price will be high, and we shall cease to export it. Whenever the import of men shall be such as to do away with the *necessity* for importing iron, the price will be low, and we shall export food in the form of iron. By the same operation the farmer will thus be enabled to obtain high prices for his grain, and to buy his iron cheap. He will then buy in the cheapest and sell in the dearest market, and the value of his labour will be increased.

We have seen that in the period that elapsed between 1821 and 1829, embracing the six years which followed the passage of the act of 1824, the consumption of iron rose to about 25 pounds per head. In the three following years, under the tariff of 1828, it rose to 47. By the Compromise Act, the duty on railroad iron was abolished, and the consequence was, that the power of consumption diminished, remaining at an average of but 40 pounds for the next nine years. Under the strictly revenue clauses of the tariff it fell to 38 pounds, being less than the consumption of eleven years before. By 1846, it had risen to 94, and in the following year it rose to 98. Who were the persons that benefited by this change? Let us see. The abundance of iron facilitated the opening of coal mines by means of steam-engines and other machinery, and the making of roads, by means of which coal, and food, and timber could be taken to market, and thus greatly diminished the number of persons intermediate between the producer and consumer; and the abundance of fuel and iron facilitated the construction of steamboats, diminishing greatly the cost of transportation to and from market; and facilitated the construction of mills and furnaces, at which the farmers and planters could make their own exchanges; while the increased facility of obtaining ploughs and harrows, spades and axes, tended to increase the productiveness of labour, with large increase in the quantities to be exchanged, and in this manner the whole benefit resulting from the augmented facility of obtaining iron went to the cultivators of the land, farmers and planters.

But why should protection have been necessary to produce this result? To the general reasons already given, may now be added, those which refer particularly to iron. In a table now before me,* the English prices of merchant-bar iron are thus given:—

	£	s.		£	s.		£	s.		£	s.		£	s.		£	s.
1816—	11	0	@	8	15	1827—	9	10	@	8	15	1837—	10	5	@	6	15
1817—	8	10	@	13	0	1828—	9	0	@	7	15	1838—	9	10	@	9	15
1818—	12	0	@	10	0	1829—	7	10	@	6	12	1839—	10	5	@	9	10
1819—	11	10	@	11	0	1830—	6	15	@	6	5	1840—	9	0	@	8	0
1820—	10	10	@	9	10	1831—	6	5	@	5	17	1841—	7	15	@	0	0
1821—	9	10	@	8	15	1832—	6	5	@	5	10	1842—	6	10	@	5	5
1822—	8	10	@	8	0	1833—	6	15	@	7	15	1843—	5	0	@	4	10
1824—	13	0	@	8	15	1834—	6	10	@	7	12	1844—	6	6	@	5	0
1825—	15	0	@	11	10	1835—	8	5	@	6	5	1845—	6	10	@	9	0
1826—	11	0	@	9	10	1836—	11	10	@	10	5	1846—	9	0			

We have here £4 10=$21 60, and £15=$72, and every price between. Why should these enormous variations take place? It costs no more labour to make iron at one time than at another. The man who mined a ton of ore or coal in 1832, when the price was £5 10, could mine more than a ton in 1846, because machinery had been greatly improved, and yet the price was then £9.

The season may be adverse for the growth of grain or cotton, and the rot may destroy the potato crop, thus diminishing the quantity to be supplied with great increase of price, and yet neither food nor cotton is liable to the enormous and sudden changes that we see in regard to iron, which ought to be perfectly steady. These changes are due to the unsound character of the system, and the perpetual changes that result therefrom. The consequence of them is, the constant recurrence of ruin to all, in other countries engaged in the manufacture of iron. In 1816 it was high, and furnaces were built. In 1821, it was low, and iron-masters were everywhere ruined. In 1825 it was high, and furnaces were again put in blast. In 1831, furnace-masters were again ruined. In 1836 it was high, and in 1842, it was low, and on both occasions the same operations were repeated. So again in 1846, furnaces were built, and now, in 1849, they are being closed.

The consequence of this is that the iron manufacture throughout the country is in a barbarous condition. Small furnaces abound, at which much labour is given to producing little iron. At each forced intermission of the exertions of England to maintain the monopoly of the production of this important commodity, we can see it making its way gradually to the land where alone it can be produced at small cost of labour—that land where ore, coal and limestone are interstratified with each other, and at which it would long since have arrived but for our frequent changes of policy.

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* Merchants' Magazine, Vol. XX. p. 337.

Very little examination is necessary to satisfy the inquirer that it has been precisely when iron has been lowest in England, in 1822 and 1843, that our consumption was least; and it is now diminishing rapidly, as our furnaces are being closed and their owners ruined. *The power to consume declines daily.* With another year or two the price abroad will be high, but time will then be required to get the old furnaces into operation, and still longer to build new ones; for iron-making is like buying lottery tickets, and the blanks are more numerous than the prizes. That time arrived, pig iron may be again $40 and bars $80 per ton.

So long as a nation is dependent on England for any portion of its supply, so long must prices continue to be thus variable, and so long must the consumption of this important article, and the facilities for producing it, be small, and all the deficiency falls on the producer of food, or wool, or cotton; for it is he that pays the cost of transportation, conversion and exchange. The consumption of the present year will not, probably, exceed 700,000 tons, for the make at home is greatly diminished, and the stock on hand has increased to an extent nearly approaching that of the import from abroad. Next year, there is strong reason for believing that it will be still farther diminished, whereas, there can be no doubt that that year, had the system of 1842 remained unchanged, would have seen the domestic product attain 1,300,000 tons, or 3,000,000,000 of pounds, being 125 pounds per head; the *increase* for 1846 having been almost equal to the whole consumption, per head, in 1842-3. Thenceforth, the price would have been regulated by the cost of production here, and not by the fluctuations of policy abroad; and thenceforth the prices would have been daily diminishing, as the machinery of production improved. The object of the colonial system is that of increasing the number of transporters, converters and exchangers, who are to be supported out of the labours of the farmers and planters. The object of the protective system is to diminish the number; and the question now to be settled is, whether the labourers, the men who produce all that we consume, or the exchangers shall be masters. Were the latter to succeed, we should have perfect freedom of trade, so far as freedom consists in being compelled to forego the association of men with their fellow-men for the improvement of their condition, and the result would be the stoppage of every furnace in the Union; when all those engaged in mining coal and ore would be compelled to resort to the raising of food, which would be lower, while iron would be higher and greatly higher. Its cost in labour would be so far increased that consumption would fall to the point at which it stood in 1821. Perfect protection would soon quadruple our production, and vast numbers of persons would mine iron and coal instead of raising food, which would be higher. The labour-cost of iron would be diminished, and the consumption would be increased; and it is by aid of iron that production is to be increased, exchanges facilitated, conversion improved, land increased in value, and farmers and planters made rich.

From 1829 to 1832, the domestic production increased about fifty per cent. During the whole of that period, the Union was agitated by threats of nullification and disunion, and there existed no motive for investing in furnaces or rolling-mills the large amounts required for the cheap production of this important commodity. From 1842 to 1847, the production trebled, and perhaps quadrupled. During the intermediate period it was almost stationary

I propose to inquire what would have been the result, had the production gone on to increase at the rate of only 15 per cent. per annum, and then to examine what would have been the effect on the working men, the planters and farmers of the Union, with a view to ascertain from the experience of the past what is probably the true course of policy for the future.

Starting with 200,000 tons in 1832, and increasing the product 15 per cent, the succeeding years would have been as follows:—

Years.	1000 tons.	Years.	1000 tons.	Years.	1000 tons.
1833 . .	230	1839 . .	532	1845 . .	1230
1834 . .	265	1840 . .	612	1846 . .	1415
1835 . .	305	1841 . .	704	1847 . .	1630
1836 . .	350	1842 . .	810	1848 . .	1875
1837 . .	402	1843 . .	930	1849 . .	2150
1838 . .	462	1844 . .	1070	1850	2472

It will be seen that the highest increase of any year is scarcely more than that which actually took place in years between 1843 and 1847, when every thing had to be recommenced, after a state of almost utter ruin. What now would have been the amount of investment required for the production of this quantity of pig-metal? A furnace capable of producing 5000 tons per week may cost $30,000. We can now produce 800,000 tons. To have made it 2,000,000 would have required the building of 240 furnaces more than we have built, and their construction would have required $8,000,000, being far less than the amount that has in that period been spent *in building* packet ships to run between New York, London, and Liverpool,—leaving out of view all other expenditure upon shipping, whether for building or sailing them. The ships have disappeared, or will disappear, leaving nothing behind. The furnaces would be still in existence. At one establishment in Pennsylvania there are six furnaces capable of producing 800 tons of metal per week, or 41,600 tons per annum. The cost of these may have been $200,000. To build ships capable of transporting that quantity would require an investment of at least $750,000. At the end of a few years, the whole of that capital would be sunk, while the furnaces might last almost for centuries. The tendency of the colonial system is thus to compel the employment of capital in temporary machinery, and the object of protection is to enable the owner of it to invest it in that which is permanent.

It will be asked, what should we have done with all this iron? In answer, I say, that every man is a consumer to the full extent of his production. The man who made the iron would have required food, fuel and clothing. The man who mined the fuel would have required iron, food and clothing. The man who raised the food would have required iron, fuel and clothing. The man who made the clothing would have required iron, food and fuel. The man who raised the wool and the cotton would have required food, fuel, iron, and clothing. Production would have largely increased, and there would have been a large increase in the power of consuming all the commodities necessary for the convenience and comfort of man. In other words, there would have been a great increase in the profits of capital and the wages of labour.

Had production gone on at the rate I have indicated, we should have in the period from 1834 to the present time 15,000,000 of tons, whereas we have had but 5,000,000. These 10,000,000 would have filled the country with machinery, enabling the farmers and planters to have the consumers by their sides, and in addition would have given them roads by which to go to market at half the present cost. Their necessity for going to distant markets would have diminished, while their power so to do would have increased, and with every step in this progress they would have become enriched.

It may, perhaps, be said that this demand for labour would have diminished the power to produce food and cotton. On the contrary, it would have increased it. Two-thirds of the labour actually employed in the making of this iron and its conversion into the various forms to fit it for use, would have been saved labour—labour that has been wasted. Further, the farmer and planter would have exchanged their food and cotton on the spot for iron, and here would have been a further and vast saving of labour. The increased facility of obtaining spades and hoes, ploughs and harrows, horse-shoes, carts and wagons, would have rendered the labour on the farm or plantation more productive. The rapid growth of railroads would have prevented the necessity for going to market with produce, and facilitated the transport of manure, and marl, and lime, and thus the power to apply labour steadily and advantageously would have largely increased. The neighbouring cotton-mill or woollens-mill would have furnished clothing for food and labour, and thus the necessity for looking to distant markets would have been diminished, while the power to resort to them would have largely increased. The increased demand for labour and its increased reward, would have tended largely to augment immigration, and each new arrival would have been a mouth to be fed and a back to be clothed, to the advantage of both farmer and planter. Farms and plantations would have been divided, and more food and cotton would have been obtained from small ones than are now obtained from large ones. The land would have increased in value, and the farmers and planters would have grown rich because of increased production and diminished cost of exchange, and a part of the surplus would have been appropriated to the purchase of books and newspapers, and musical instruments and pictures, and thus would intellectual have kept pace with moral and physical improvement. Instead of all this, the period from 1835 to 1843 was one of diminished production and increasing poverty and crime, ending with bankruptcy and repudiation.

What has been said in regard to iron is equally true in regard to coal, but it is unnecessary to go into detail. Had the tariff of 1828 been adopted as the settled policy of the nation, the consumption of anthracite would by this time have reached 10,000,000 of tons, and the vast coal fields of the West would likewise be giving forth their products by millions, and thus the food of the farm would have been condensed into fuel and iron, fitting it for transportation, and providing means of transportation. Instead of this, we have had a series of changes that have involved in ruin almost all that have been largely interested in giving to the nation the extraordinary works that connect Philadelphia and New York with the great coal region of Pennsylvania, and State bankruptcy and repudiation have been followed by that of companies which have done more for the real advantage of the Union than any others that have ever existed within its limits, and all this has been produced by a policy under which the whole consumption of iron was reduced below 40 pounds per head, when it might long since have reached 300.

Had the production of iron and coal been allowed to increase, and the manufacture of cotton to grow, we should be now consuming a million and a half of bales; and had the woollens manufacture been allowed to grow, we should now have a hundred millions of sheep, the whole of whose wool would be required for our domestic consumption, for those who produce largely consume largely.

The perfect harmony of interests is nowhere more perfectly exhibited than in a thorough examination of the course of proceeding in relation to both coal and iron. Both were heavily protected from 1816 to 1824, but neither grew, because the iron *manufacture*, the cotton and the woollen manufactures, did not grow; and so would it now be, were iron and coal protected at the cost of cotton and wool. All wax and wane together, and the man who would protect himself at the cost of his neighbour, makes a sad mistake. It is useless to produce iron without a market, and that market is to be found in the rolling-mill, the foundery, the machine-shop, the cutler's shop and that of the axe-maker, and they in turn must find a market among the producers of food, and wool, and cotton. The shipwright uses largely of iron, and that he may do so, there must be a large market for sugar, tea, coffee, and other of the luxuries and comforts of life. The larger the market, the larger will be the consumption of iron, and the larger the latter, the more rapidly will the former grow. In a wise political economy there will be found no discords

CHAPTER EIGHTH.

HOW PROTECTION AFFECTS POPULATION.

Combination of action is indispensable to increase in the value of labour. The first cultivator can neither roll nor raise a log, with which to build himself a house. He makes himself a hole in the ground, which serves in lieu of one. He cultivates the poor soil of the hills to obtain a little corn, with which to eke out the supply of food derived from snaring the game in his neighbourhood. His winter's supply is deposited in another hole, liable to injury from the water which filters through the light soil into which alone he can penetrate. He is in hourly danger of starvation. At length, however, his sons grow up. They combine their exertions with his, and now obtain something like an axe and a spade. They can sink deeper into the soil; and can cut logs, and build something like a house. They obtain more corn and more game, and they can preserve it better. The danger of starvation is diminished. Being no longer forced to depend for fuel upon the decayed wood which alone their father could use, they are in less danger of perishing from cold in the elevated ground which, from necessity, they occupy. With the growth of the family new soils are cultivated, each in succession yielding a larger return to labour, and they obtain a constantly increasing supply of the necessaries of life from a surface diminishing in its ratio to the number to be fed; and thus with every increase in the return to their labour the power of combining their exertions is increased.

If we look now to the solitary settler of the West, even where provided with both axe and spade, we shall see him obtaining, with extreme difficulty, the commonest log hut. A neighbour arrives, and their combined efforts produce a new house with less than half the labour required for the first. That neighbour brings a horse, and he makes something like a cart. The product of their labour is now ten times greater than was that of the first man working by himself. More neighbours come, and new houses are wanted. A "bee" is made, and by the combined effort of the neighbourhood the third house is completed in a day; whereas the first cost months, and the second weeks, of far more severe exertion. These new neighbours have brought ploughs and horses, and now better soils are cultivated and the product of labour is again increased, as is the power to preserve the surplus for winter's use. The path becomes a road. Exchanges begin. The store makes its appearance. Labour is rewarded by larger returns, because aided by better machinery applied to better soils. The town grows up. Each successive addition to the population brings a consumer and a producer. The shoemaker wants leather and corn in exchange for his shoes. The blacksmith requires fuel and food, and the farmer wants shoes for his horses; and with the increasing facility of exchange more labour is applied to production, and the reward of labour rises, producing new wants, and requiring more and larger exchanges. The road becomes a turnpike, and the wagon and horses are seen upon it. The town becomes a city, and better soils are cultivated for the supply of its markets, while the railroad facilitates exchanges with towns and cities more distant. The tendency to union and to combination of exertion thus grows with the growth of wealth. In a state of extreme poverty it cannot be developed. The insignificant tribe of savages that starves on the product of the upper soil of hundreds of thousands of acres of land, looks with jealous eyes on every intruder, knowing that each new mouth requiring to be fed tends to increase the difficulty of obtaining subsistence; whereas the farmer rejoices in the arrival of the blacksmith and the shoemaker, because they come to eat on the spot the corn which heretofore he has carried ten, twenty, or thirty miles to market, to exchange for shoes for himself and his horses. With each new consumer of his products that arrives he is enabled more and more to concentrate his action and his thoughts upon his home, while each new arrival tends to increase his *power* of consuming commodities brought from a distance, because it tends to diminish his *necessity* for seeking at a distance a market for the produce of his farm. Give to the poor tribe spades, and the knowledge how to use them, and the power of association will begin. The supply of food becoming more abundant, they hail the arrival of the stranger who brings them knives and clothing to be exchanged for skins and corn; wealth grows, and the habit of association—the first step towards civilization—arises.

It is not good for man to live alone, and yet throughout this country, we find thousands and tens of thousands of men flying to the West, there to commence the work of cultivation at a distance from their fellow-men, while millions upon millions of acres of rich land in the old States remain untouched. If, now, we refer to the course of events during the last thirty years, we see that the tendency to migration increased rapidly between 1834 and 1842, when the building of mills and furnaces ceased, and that during that period we colonized Texas and Oregon. In the years which followed, the tendency to emigrate diminished, to break out afresh under the influence of the policy of 1846. The last twelve months have witnessed the departure of very many thousands to California, Santa Fe, &c., while the emigration to Iowa, Wisconsin, and other portions of the extensive West, is entirely without precedent.

"It is estimated," says the editor of one of the Iowa papers,

> "That between fourteen and fifteen hundred wagons have crossed the Mississippi at this place, within the last five weeks, bringing emigrants from Ohio, Indiana and Illinois, and all of them seeking homes in Iowa. They have," says he, "generally gone to the new counties on and west of the Des Moines river, where, we know, they will find lands and other agricultural advantages, equal to any in the world. Allowing five persons to a wagon, there have crossed at this place alone, between 7000 and 8000 persons. We are told that the same extraordinary influx of immigrants has taken place at all the other crossings along the river Dubuque, down to Keokuk. It is, therefore, reasonable to suppose that from 30,000 to 50,000 persons have been added to our population within the last month and a half, and the tide is still pressing towards us."[*]

If we desire to find the reason for the extraordinary tendency now prevailing to seek the West, it may be found in the diminishing value of labour in the older States. The production of iron, coal, cotton and woollen cloths, and of commodities generally, has diminished; and there is not only no demand for labour in the construction of new mills and furnaces, or in the opening of new coal mines, but the number of persons employed is actually diminished. The natural increase of our population is almost 600,000, and the immigration of the present year is about 300,000; and thus 900,000 persons are added, while the number that can find employment in the old States is less than it was two years since. All these people must eat, and if they cannot obtain food in exchange for labour, employed in the mining of coal or manufacture of cloth or iron, they must raise it for themselves, and hence it is that the population of the new States grows now so rapidly.

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[*] Burlington (Iowa) Gazette.

Here is a case of apparent discord. The people of the new States need neighbours to help them to make roads and build churches and school-houses, and the state of things that injures the farmers of Pennsylvania, New York and Virginia, benefits all those who are already in Wisconsin and Iowa. They profit by free-trade and would be injured by protection. Strange as it may seem, however, directly the reverse is the case. The harmony of interests is perfect, and the discord is only apparent. The new States would grow faster under protection than they now do under free-trade. But for the abolition of protection, in 1832–3, Iowa, Wisconsin, &c., would now be populous States, as I propose now to show. From 1821 to 1825, there existed no inducement for emigration from Europe to this country. Wages here were low, and the difficulty of obtaining employment was great. The average number of immigrants was but 7138, and the last year was little more than the average. By 1829, it reached 24,000. Five years after, (1834,) it was 65,000. The average of the next nine years was but 72,000; and, in the last of those years, it was but 75,179. Like every thing else, immigration was stationary. In the four following years it was trebled. This year it may reach 230,000. It has already begun to decline.

It is obvious that the demand for labour grows with increase in the number of modes in which it can be applied; and that with every step in that direction the return to labour increases, enabling the labourer to obtain larger wages—that is to say, more food, fuel, clothing, books and newspapers, and greater facilities for the education of his children, in return to the same labour. We see that the power to obtain these good things increased rapidly from 1830 to 1834, and that the effect was to produce a vast increase of immigration. With every such increase there must, necessarily, have been increased power of combination, accompanied by increased facilities for obtaining the things for which men are willing to labour; offering new attractions for the labourer, and producing a further increased tendency in the same direction. In a former chapter, I have supposed that it might by this time have reached 1,000,000 per annum, and that it would have done had it doubled but once in four years. A duplication in three years would have brought it by this time to 2,000,000. Taking it, however, at the former quantity, we should have imported in the intermediate period nearly 6,000,000, instead of less than 2,000,000. If we now add thereto the natural increase of all these people, we would have at this moment a population exceeding by at least 5,000,000 the number we now have; and of these, while vast numbers would have been employed in giving value to the lands of the older States, by opening mines and building furnaces, millions would have sought the West, the access to which would have been rendered daily more and more easy by the increased facility of obtaining iron for the construction of steamboats and rail-roads.

The large immigration of the last and previous years is by many ascribed to the troubles in Europe; but their effect has been small. All commodities tend to seek the best market, and to this rule labour forms no exception. The people of Europe are anxious to transfer themselves here because man is here a commodity of more value than in Europe, and can obtain more food, fuel and clothing, and better shelter, in return for the same quantity of labour, than he can at home; and the more widely extended the knowledge that such is the fact, the greater is the anxiety to reach our shores. Had the demand for labour continued to increase as it did from 1844 to 1847, the immigration of the present year would probably far exceed even half-a-million; whereas, there is every reason to believe that there will be a great diminution.

CHAPTER NINTH.

HOW PROTECTION AFFECTS THE MEANS OF TRANSPORTATION—INTERNAL AND EXTERNAL.

THE more widely men are separated, the greater is the difficulty attendant on the making of roads, and the greater is the quantity of labour lost to the farmer in performing the work of transportation, and the poorer he remains. The more men are enabled to combine their exertions, the greater is the facility of obtaining roads; the less the labour lost in transportation, the more can be given to the work of production, and the richer will the farmer grow.

During the years from 1835 to 1840, the tendency was to separation, and there was great need of roads. The widely scattered settlers of Illinois, Indiana, Michigan and Mississippi could not make them of themselves, and none would trust them individually with the means necessary for their construction. To remove this difficulty, they united in borrowing the food and clothing and the iron required for the purpose, pledging the faith of the State for payment of the cost, and the result was universal ruin. Men were scattering themselves, and labour was becoming less productive; the consequence of which was, that immigration ceased to increase; and *it was precisely when the growth of population from that source was arrested*, that we were extending the area of settlement, and diminishing the power of combining exertion for the purpose of increasing the return to labour.

We are now doing precisely the same thing. Men are scattering themselves widely, and there is a great demand for roads. The papers from day to day inform us of the new ones that are being made in the West with iron that is obtained in exchange for certificates of debt, bearing interest, that must be paid. The men who should be making iron are seeking the West, and borrowing the iron they should be making, and, if the system be long continued, the result must be the same that was witnessed in 1842–3.

It is to this unnatural expansion of a small population over large surfaces that is due the agitation of the question of improvement by the general government, one of the most dangerous now remaining to be settled. If the settlement and cultivation of new lands, and the formation of new States, proceeded naturally, the population would become sufficiently rich to be enabled to make their own roads and improve their own harbours; but as that cannot be the case under the existing system, they look to the government for aid. At this moment, it is proposed that a vast amount of land should be given, or sold at a very low price, to aid in the making of a road to California, a work that, if prosecuted with vigour, would be finished half a century before it would pay interest on its cost, because it would tend only to promote the further dispersion of population, and the further diminution in the productiveness of labour. We need concentration to render labour more productive, and to promote immigration; and if that be obtained, the natural and profitable settlement of the country beyond the Mississippi will go on so rapidly as to insure a connection with the Pacific, with advantage to all, in a very reasonable time. It is doubtful if there is a single instance on record of a road having been made with a view to attract population, or one that has been altogether dependent on *through* travel and trade, as this must for a long time be, that has not proved a failure. To make roads productive, they must pass through countries where men consume on the land a good portion of the products of the land, and grow rich, and not through those in which, because of the absence of consuming population, every thing that is raised on the land is sent from the land, and its owners remain poor. If this road be now made, there will be great loss somewhere, and fall where it may, it will be a loss to the community.

The reason why such roads are unprofitable is, that the transportation upon them is almost entirely limited to bulky articles that must be carried at low freights. The most valuable of all commodities is man, and upon such roads the travel is small, for the people are poor, and must remain at home. Their products pay little to the road, yet the little that is left purchases but little of silk, or cloth, or other of the articles of merchandise upon which high tolls can be charged. Where, on the contrary, there is a large consuming population on the line, the way-travel is great, and the commodities that pass to market pay good freights, while the balance pays for much merchandise to be returned.

Applying these views to the means of intercourse with foreign nations, we may now, I think, see why it is that shipping grows with protection.

The merchandise we send to Europe is bulky, and the returns are compact, a consequence of which is that the outward cargo has generally had to bear almost all the charges of the voyage.

From 1830 to 1834, the reward of labour was, however, such as induced a great increase of immigration, and thus was secured a valuable return cargo, the receipts from which tended largely to diminish the charges on outward freights, and thus the planter and farmer were enabled to consume more largely of the merchandise of Europe, which pays high freights, and more of tea and coffee, while the demand for the raw materials used in manufactures, also enabled ships to bring them as part of their return cargoes, facilitating the transmission of our produce and merchandise to other parts of the world.

From 1835 to 1844, immigration was almost stationary. So was shipping. From 1845 to the present time immigration has grown rapidly. So has shipping. We now import 300,000 persons, and the usual allowance being two persons to five tons, it follows that shipping to the extent of 250,000 tons, making three trips per annum, is so employed. Freights to Europe are low, because the return cargo is large and valuable. Ships of the first class are now built expressly for the importation of men, and so will they continue to be, if the number of passengers shall continue to increase. With a diminution of it, the building of ships will diminish, and freights to Europe will rise, because a valuable return cargo cannot then be calculated upon. The rise of freights will, as a matter of course, diminish the number of articles that will bear exportation, and the quantity of merchandise that can be imported from Europe, while the diminution in the number of mouths requiring tea, coffee, and other similar commodities, will tend still further to diminish the tendency towards the building of ships.

Were we now importing a million of people, the shipping required for that purpose alone would be 830,000 tons, and freights to Europe would be almost nominal, for great numbers would go altogether in ballast. Whatever tends to increase the bulk of the commodities imported tends equally to diminish the cost of transportation, and to increase the export of the products of the farmer and planter. If we imported raw silk, we should import Frenchmen to manufacture it, and coffee for them to drink, and the ships that imported the silk, the men, and the coffee, would cheaply transport cotton or cotton cloth. If we import gutta percha, we obtain it from one who desires to buy cloth, and to whom cloth can then be cheaply sent. If we import gutta percha goods, we obtain them from men who have cloth to sell, and to whom cotton cannot be cheaply sent. If we desire, then, to increase our commerce and our navigation, the object is to be accomplished by the adoption of measures that will bring the loom to take its place by the side of the plough. The harmony of the agricultural, manufacturing, and shipping interests would here appear to be complete.

With such an importation of men, there would be an annual addition of 1,000,000 with whom we would have *perfect* freedom of trade, uninterfered with by custom-house officers, sailors, or ships. At the end of ten years, there would be thus made an addition of twelve or thirteen millions of persons, who would consume twice as much cotton as is now consumed by the whole people of Great Britain and Ireland. The harmony between the views of the free-traders and those of the protectionists would thus appear to be almost perfect. The more the subject is examined, the more obvious does it become that the *only* road to perfect freedom of trade lies through perfect protection.

CHAPTER TENTH.

HOW PROTECTION AFFECTS THE FARMER.

AMONG the large exporters of food are Ireland, Canada, Russia, and the United States.

The first exports both food and population. The bulk of her trade is altogether outward, and the food has to bear all the cost of the voyage out and home. The yield to the producer is therefore small, and tends rapidly to diminish, the consequences of which are, famine, pestilence, and depopulation.

The second exports food and lumber, and imports some population for home consumption, and much that is exported to the United States. The excess of exports is, however, sufficiently great to throw nearly the whole weight of the voyage out and home upon the producer.

Neither of these countries has any protection against the colonial system. The food they export comes back to them in the form of cloth and iron, duty free, and almost freight free, because the bulk of the traffic is in the outward direction.

Russia exports food, but she protects manufactures, and thus makes a market for much of it at home. Her capacity to supply grain is by one authority stated to be equal to 17,000,000, and by another 28,000,000 of quarters. (153 and 252 millions of bushels of 60 pounds weight,) and we are told that—

> "In the years when there is no foreign demand for this surplus, a portion of it is employed, with little regard to economy, in fattening cattle for the butchers, and for the sake of the tallow. Much is absolutely wasted, and the remainder, left unthreshed, becomes the prey of birds and mice." Also that "if a foreign market could be found for it, Russia could easily export annually 50,000,000 of quarters of grain, (equal to 450,000,000 of bushels of sixty pounds weight.)"*

The system of that country is adverse to the growth of wealth and intelligence. Large armies and hosts of officials are maintained out of her heavy taxes, paid from the earnings of the producing classes, while the existence of serfdom, and the necessity for giving so large a portion of the lives of the healthiest and best-formed of the population to the business of carrying sabres and muskets, tends to prevent the existence of any hope of improvement; and without hope there can be little disposition for exertion. Nevertheless, as we see, the Russian has food to waste, while Irishmen perish by tens of thousands of starvation.

In this country the system of protection exists. It is now limited to thirty per cent.; and for the last twenty years it has but once, and for a very brief period, been at a lower point. By its aid there has been produced a diversification of pursuits, that enables men to economize much time and many things that would otherwise be wasted, while women and children find employment at such wages as enable them to be large consumers of both food and clothing. Wages are high, and hence it is that there is so large an import of the most valuable of commodities—man.

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* London Economist.

We imported last year about 300,000 persons. Estimating their consumption of food at twenty cents per day for each, there was thus made a market on the land for the products of the land to the extent of *twenty millions of dollars.* Their transportation required the constant employment of 250,000 tons of shipping, and ships carried freight to Europe at very low rates, because certain of obtaining valuable return cargoes. The farmer thus obtained a large home market, and the power of exporting cheaply to the foreign one, and to the conjoined operation of these two causes is due the fact that wheat and flour have continued so high in price.

We may now, I think, understand many curious facts now passing before our eyes. Food is so abundant in Russia that it is wasted, and yet among the large exporters of food to Great Britain is this country, in which it sells at a price almost as high as in Liverpool, and now even higher. The produce of Russia has to bear all the charges out and home, and the consequence is, that the producer remains poor and makes no roads, and thus the cost of transportation, internal and external, continues, and must continue, great. The farmer of the United States sends his produce to market cheaply, because the return cargo, being chiefly man, is valuable, and the space it occupies is great. He therefore grows rich, and makes roads, and canals, and builds steamboats; and thus is the cost of transportation, internal and external, so far diminished that the difference in the price of a barrel of flour in Pittsburgh and in Liverpool is, when we look at the distance, almost inconceivably small.

The bulk of the trade of Canada is outwards; and the consequence is that outward freights are high, while our imports of men and other valuable commodities keep them low with us, and therefore it is that the cost of transporting wheat and flour from our side of the line is so much lower than from the other, that both now pass through New York on their way to Liverpool.* Hence it is that there has arisen so vehement a desire for commercial re-

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* From one of the journals of the day I take the following extract from a Canadian letter:—

"Our commercial relations with your Union are a subject of great anxiety with us at the present time. Wheat is worth from 2*s.* to 3*s.*, York, more on your side of the Lake than on this. This is owing to two causes: the 20 per cent. duty you impose upon our grain when imported and sold in your market, and the want of a sufficient number of resident wheat buyers who have sufficient capital to enable them to take advantage of your bonding Act. If your Cabinet has determined to annex us, they will refuse us reciprocity. In 1847, we exported of Canada wheat, 3,349,686 bushels, and in 1848, 3,413,397. We shall export, at least, twice as much this year; for every acre of land that was in a condition to grow wheat was sown with that grain, and the crop throughout the whole of Western Canada, except perhaps the Middle District, is unusually heavy.

"'The Examiner' estimates, and I think with tolerable accuracy, that our farmers will this year lose $1,500,000, from a want of having free access for their produce to your markets The Convention of Delegates from each of these Provinces, now sitting at Halifax, have under consideration the question of securing a more easy interchange of commodities between the Provinces and the States. A notion has got abroad, that if Canada, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland were united, they would then have a better chance of obtaining free trade from you than in their present isolated condition. It is rumoured that the Home Government, for some ciprocity, and even for annexation. The protective system has thus not only the effect of bringing consumers to take their places by the side of the producer, facilitating the consumption on the land of the products of the land, and facilitating also the exportation of the surplus to foreign markets, by diminishing outward freights, but the further one of producing among our neighbours a strong desire for the establishment of the same perfect freedom of trade that now exists among the several States, by becoming themselves a part of the Union. Protection, therefore, tends to the increase of commerce and the establishment of free trade, while the British system tends everywhere to the destruction of commerce and to the production of a necessity for restriction.

We see, thus, that if we desire to secure the command of that which is falsely called "the great grain market of the world," it is to be effected by the adoption of such measures as will secure valuable return freights. The most costly and the most valuable of all are men. The least so are pig-iron and coal. The more of the latter we import, the larger will be our surplus of food, the higher will be the outward freight, internal and external, the greater will be the waste, and the poorer will be the farmer. The more of the former we import, the smaller will be our surplus of food, the lower will be the outward freights, and the more numerous will be the commodities that can go to Europe, to be given in exchange for luxuries that now we cannot purchase.

Were we now importing a million of men annually, the downward freights on our canals and railroads would be greatly diminished, while the outward freight across the ocean would be little more than would pay the cost attendant upon loading and unloading it, and yet we should be building ships and steamboats, and making railroads at a rate of which we could now form no conception.

By aid of these men, coal and iron would be produced by millions of tons, and the increased facility of obtaining food and iron would give new facilities for building cotton and woollen mills, and type-foundries and printing-offices, and all the men employed in them would be large consumers of food, and thus would the farmer gain on every hand.

The labourer, in Ireland, obtains *6d.* or *8d.* for a day's labour when employed, but the average of the year is even less than the former sum. He is our great customer for Indian corn, the cost of which, by the time it reaches him, is about 4*s.* or five times what it has yielded to the farmer, delivered on his farm. Eight day's labour are thus required for the purchase of a bushel. Transfer that man to the coal-fields of Ohio or Indiana, and he may purchase far more by the work of a single day. He at once becomes a much better customer for food, and is enabled to consume largely of sugar and coffee, to the advantage of the merchant—of wool, to the further advantage of the cultivator of the land—of lumber, to the advantage of the man who has land uncultivated that he desires to clear—of cotton, and indigo, to the benefit of the planter—and thus it is that every interest in the country profits by the transfer of the poor cultivators of Ireland, and of Germany, to the coal fields and iron-ore beds of the Union.

The young Englishman who aspires to be an operative spinner, and now fills

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purpose of its own, has recommended this federation, and of course the Colonial puppets who move at the dictation of Downing street, will pretend that a measure which has been forced upon them, originated in the commercial necessities of the Provinces. To obtain the free trade they desire, the Nova-Scotians showed symptoms of a willingness to admit your fishing vessels a little nearer than within three miles of their shores; and Canada would probably throw open her coasting-trade to your vessels, if England will permit her after the new Navigation Law comes into operation."

the place of the latter in his absence, receives 7*s.* 6*d.*—$1·80 per week,[*] the price of two bushels of Indian corn. Place him in Alabama, and he will earn the present price of twenty bushels, and he will then eat more and better food, and consume ten pounds of cotton where now he consumes but one.

The hand-loom weavers, of whom England has 800,000, without work for one-third of the number,[†] consume little food or cotton. Transfer them here, and they will become large consumers of both.

The agricultural labourer of England receives 8*s.* or 9*s.* a week, little over the price of a bushel and a half of wheat. Transfer him here, and his services as a miner, or labourer, will enable him to earn the price of five or six bushels. He will then consume more and better food, and largely of cotton.

The poor Highlander, driven from his native hills to make room for sheep, starves in the miserable lodging-houses of Glasgow.[‡] Could he be transferred here, he would become a large consumer of food and clothing.

Our present policy is directly the reverse of all this. We are exporting men by tens of thousands to California, and by hundreds of thousands to the West, thus diminishing the power of combination of action, and increasing the necessity for the use of ships and wagons to carry their produce to market. Thus far the immigration has been maintained, and freights to Europe are consequently low, but, with the diminished wages of the labourer, immigration must fall off, and then freights must rise, and thus the same measures that diminish the home consumption must increase the cost of going to the distant market. The cost of the voyage out and home *must* be paid by somebody. If there is no return freight, the farmer or planter must pay the whole. If there is a large and valuable return freight, he need pay scarcely any portion of the cost. To California, we must pay all the outward freight, for there is no cargo to be returned. Bulky articles, the produce of the farm, cannot, therefore, go from here, and the consequence is, that every emigrant to that country is a customer lost to the farmer, and a customer to a diminished extent to the planter.

The most costly and most valuable of commodities, as I have already said, is Man. The more valuable the commodities that can be imported into any country, without going in debt for them, the richer that country will grow; and this is equally true of every State, county, township, town, &c., into which it may be divided. Of this no one can doubt, and yet every portion of the Union is engaged in exporting to the West, to Texas, Oregon, and California, this most valuable of all commodities, receiving nothing in return. We import now hundreds of thousands, yet the old States retain scarcely any of them. All must go West, for the working of mills and furnaces is stopped, and the building of mills is at an end until we have a change of policy. Such is the effect of the colonial system, established for the purpose of preventing combination of action among the people composing various nations of the world, and maintained by the pursuit of measures destructive alike to the interests of the people of England, and of the world at large. "Many of our manufacturers," says a Manchester broker, "have exported to a loss, and if, by so doing, they have kept foreign competition at bay, and checked the increase of industrial establishments abroad, it is an unenviable success; still," he adds, "as this country is doomed to be a manufacturing state, nothing remains but to beat or be beaten."*

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[*] London Economist, Vol. VI. p. 259.

[†] Edinburgh Review, October, 1849.

[‡] A recent British journal, speaking of the Queen's visit to Scotland, thus describes the effects of the desolating policy that has been pursued in the Highlands:—

"*The untilled hills and glens tell their own story most effectually.* The sheep farms of twenty miles length and breadth proclaim the dark character of that policy which is fast making of the Highlands a great hunting-ground. Her Majesty is to pass through a land of Ameers. The same wretched policy as that which has desolated Scinde, originating in the same miserable cause—the selfishness and pleasure-seeking of the owners—has laid waste the Highlands. They want a Sir Charles Napier—a legislative if not a military Napier. *They need the repeal of the game and entail laws, and with those laws repealed, in twenty years there would be no difficulty in finding a population to welcome the monarch on the beautiful but now desolate shores of Loch Long and Loch Awe.* The pines[§] would flourish again; and newspaper reporters would not be weighing the question whether there be or be not a habitable house where they might rest within ten miles of Loch Laggan."—*North British Mail.*

[§] The standard of the Campbells, who inhabited this region, bore a pine.

These losses are of perpetual recurrence. They are a natural consequence of the "war upon the labour and capital of the world," in which England must "beat or be beaten." They must be paid by somebody, and they *are* paid by the labourers of England, who are compelled to work at diminished wages; but to a much greater extent by the labourers of the world, who are compelled to be idle, earning nothing to pay the farmers and planters for food and clothing, when they would gladly be employed, earning wherewith to feed and clothe themselves and their children.

How small is, under these circumstances, the power to consume food, will be obvious to those who see that three-fourths of the people of England are consumers and not producers, and that yet their import of grain of the last two years of free trade is but two bushels per head. How insignificant is the quantity she takes from us, and trivial the amount when distributed among the people of the Union, may be seen from the following statement of the last two years of comparatively large export:—

	Flour. Barrels.	Wheat. Bushels.	Corn. Bushels.	Corn-meal. Barrels.
Year ending June 30, 1848,	958,744	1,531,000	5,062,000	226,000
" Aug. 31, 1849,	1,114,016	4,684,000	12,721,000	88,000

The last and largest amounts in round numbers, to 10,000,000 of bushels of wheat, and 13,000,000 of bushels of corn. Deducting the transportation, the product of this on the farm may be taken at not exceeding, and probably not equalling $10,000,000, or less than fifty cents per head for the people of the Union. What is the prospect that even this amount will continue to be exported may be judged by the facts that nothing but the exceeding lowness of freights has thus far maintained the export, and that calculations, based upon the low price of food in Europe, are now being made upon the export of grain to this country.

"The accounts that have reached us from your side about the wheat crop have led to an idea here that it is not improbable the United States may become an importing country for grain, as on some previous occasion about ten or twelve years ago. We regard this as highly improbable ourselves, although Sturges allude to it in their commercial circular to-day. It is said *Mark Lane governs the world's grain prices:* and, if so, the European range may certainly be expected to be very low, for the fall here is fully 5*s*. to 6*s*. per quarter, one-sixth of the entire value, within the last month. Oats are down to 16*s* per quarter."—*London Correspondent of the National Intelligencer.*

The shipments of both wheat and flour have already fallen off in a most extraordinary degree, since freights have somewhat advanced. In September, flour was carried to Liverpool for 6*d*. a barrel, and sometimes even less. The lapse of two months has brought the charge up to 18*d*., and the effect is shown in the following statement of the export from the principal ports of the Union from the first of September to the latter part of November:—

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* Circular of Du Fay & Co., March 1, 1848.

	Flour. Barrels.	Meal. Barrels.	Wheat. Bushels.	Corn. Bushels.
1849 . . .	118,000	1,210	212,504	544,874
Last year, same period	491,000	27,754	849,350	3,447,820
Decrease . . .	373,000	26,544	636,846	2,902,946

Notwithstanding the large increase of agricultural population, the quantity of wheat and flour received at tide-water, on the Hudson, shows a diminution, while the only increase is that of about 2,000,000 of bushels of corn, which found a market abroad only because of the very low freights.

The import of men has made a market for $20,000,000 worth of food, and these people, once here, remain consumers of food, and customers to the farmer, unless compelled to become producers of food and rivals to the farmer.

The "great grain market of the world" has absorbed half as much because of the low freights, but with the advance of freight it is now diminishing, and must still further diminish with the continuance of that advance. "Since the commencement of the California excitement, near several hundred vessels," we are told,* "have left for the Pacific, many of which will never re-visit us." These ships will not be replaced unless freights be sufficiently high to pay their owners. If immigration go on, they will be soon replaced, and the cost of doing it will be paid by immigrants who come to be customers to the farmer and planter. If it do not, they will not be replaced, and the high freights of the remaining ones must be paid by the farmers and planters seeking customers in Europe.

That immigration will be arrested, must be obvious to all who study the tables given in the third chapter. The difficulty of obtaining food, fuel, and clothing—*i. e.* wages—in return for labour, is increasing. The value of man is falling, and the inducements to immigration are passing away. Should it diminish next year to the extent of 100,000 persons, there will be a loss of market to the extent of $7,000,000. The California excitement which carried off so very many thousands of the customers of the farmer, with food to feed them on the road,† will no longer exist. Here is another hundred thousand customers lost to the farmer, and with them a demand for another $7,000,000 worth of food. The European market is being closed. Nothing that diminishes production can maintain prices.

A comparison of the amount of immigration and the prices of wheat during the last few years, will show how essentially the interests of the farmer are connected with every operation tending to bring the consumer to take his place by the side of the producer:—

Years.	Immigration.	Price of Wheat in Philad.	Price of Flour in N. Y.
1840 .	84,000 . .	$1·00 . .	$5·25
1841 .	83,000 . .	94 . .	5·72
1842 .	101,000 . .	1·12 . .	5·74
1843 .	75,000 . .	75 . .	4·47
1844 .	74,000 . .	89 . .	4·70

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* New York Herald.

† "Your receipts of beef from Missouri will be very moderate this winter, in consequence of the great demand for cattle to carry emigrants to California."—*Correspondent of the Tribune.*

Years.	Immigration.	Price of Wheat in Philad.	Price of Flour in N. Y.
1845	102,000	86*	4·52*
1846	147,000	1·04	5·23
1847	234,000	1·33	5·96 [potato rot.]
1848	229,000	1·19	about 5·25
1849	299,000		5·00

If we convert into iron delivered back upon the farm, free of duty, all the food that has been this year exported, we shall find that it will yield 250,000 tons, or twenty-five pounds for every person of the population. Let us now go to the vicinity of a furnace, and see how light, by comparison, is the charge for iron when it is produced on the spot, and paid for in commodities of which the earth yields by tons, as potatoes or hay—or in straw that would otherwise be wasted—or in labour not required on the farm, and then estimate how many tons might have been obtained by the producers of this grain, had they made a market on the land for the products of the land.

Let us now suppose that instead of closing old furnaces we had built fifty new ones, each capable of making 5000 tons, with rolling-mills to convert the product into bars, and had thus applied the labour of some of those immigrants; and that we were now making, as we might readily be doing 250,000 tons of iron more than was made last year, would not that alone have made a *permanent* market on the land for as much of the products of the farmer as we have exported to England? Would not that have reduced the cost of iron? Would it not have raised the price of labour? Would it not have promoted immigration? Would it not have promoted the building of ships and the reduction of freights? Would not the farmer thus have had the control of the market of England to a much greater extent than he can have under a system that discourages immigration and ship-building? Does not his *power* to go abroad increase with the diminution of the *necessity* for seeking a market abroad? If we were importing largely of raw silk and men from Italy, could we not send cotton yarn to Italy more cheaply than it now goes through England?—and if we were importing silk weavers from France, could we not send to France, in return, food, in the form of coal† and iron, at less cost for freight than that at which they now have English coal and iron that must pay all the cost of the voyage out and home? The greater the value of the import trade—and men are the most valuable commodities we can import—the greater will be the variety of articles we can export.

It is contended that by having two markets to which he *must* resort, the condition of the farmer is improved, and that if he had but the home-market he would have lower prices than at present—that is to say, that if he could sell all he produces at home, he would obtain less than he now obtains by going from home. Directly the reverse is the fact, when men are *compelled* to seek a distant market.

The first questions to be asked in reference to this are—Why is he obliged to go from home? Why does the supply of food increase faster than the demand? For this there are two reasons. First: we do not import consumers enough; and, Second: of those whom we do import, too many are forced to become producers of food, in consequence of the difficulty attendant upon employing themselves in other pursuits where they would be consumers of food. The man who works in a coal mine earns $300 a year, and perhaps more. Much of this goes for food, and all of it goes in payment for things that are the product of the earth, for every man is a consumer to the full extent of his production. Ten thousand miners and labourers are customers for those products to the extent of $3,000,000. Forty thousand mechanics, miners, and labourers, are customers to the farmer and planter to the extent of $12,000,000, which is far more than we can expect to export in future years. We now import annually above a quarter of a million of people, and there are half a million of our own home-grown population annually attaining maturity. By deducting from agriculture 20,000 working-men we diminish the number of producers, and by employing these 20,000 in other pursuits we increase the number of consumers to such an extent as to prevent the existence of the surplus of which we now complain. Judging, however, from the past, the adoption of protection as a permanent system would result in the increase of immigration to a vast amount, and of these a large proportion would gladly remain consumers of food, whereas under the present system they are compelled to become producers of food.

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* Some of these variations are, of course, attributable to the extent of the crop. The yield of wheat in the West in this year was larger than in any since 1839.

† Offers have been made to transport coal to France at little more than the ordinary freight from Philadelphia to Boston.

When farmers have a demand at home for all they raise, they obtain a higher price than when they have to go abroad. In the one case, they obtain nearly as much *more* than the price in distant markets as the cost of transportation *from* those markets, whereas, when they have to go abroad, they obtain as much *less* than the price in those markets as the cost of transportation *to* those markets, *and the price of the whole is regulated by that which can be obtained for the trivial surplus.* Grain and flour have for several years been higher in the coal region of Pennsylvania than in Philadelphia, because the demand has been always in excess of the supply. Close the mines, and the farmers will have to send their products to Philadelphia, receiving therefor the city prices, *minus* the cost of transportation. At the present time, the price of grain throughout the Union is maintained wholly by the domestic market, for flour sells in Liverpool at less than the price in New York. Close the mines and factories, and convert miners and mechanics into farmers, and the price at home must be the Liverpool one, which will then be *lower* than at present, *minus* the cost of transportation, which will then be *higher* than at present.

Admitting, however, that we are to have at all future times, a surplus of grain for export, the next question would be—What is the course that will secure to the farmer the highest price in foreign markets? The answer must assuredly be, that it will be that which tends most to diminish the quantity to be sent to those markets from this or other countries. If, then, the present system of the commerce of the world tends to increase the supply, it must be adverse to the interests of the farmer. That such is the case can, I think, readily be shown.

We know that the more miners and mechanics we have, the more food we consume; and that the more agriculturists we have, the more food we produce. Such, then, must be the case with other countries. We know that under the protective system miners and mechanics increase in number, and that under the free-trade system the producers of food increase in number. Such, then, must be the case with other countries. It is obviously, then, to our interest that Russia and Germany should consume more food and export less, and that if they and we should do so, the price of food would rise. Russia and Germany, and we ourselves, have established the protective system, and the result has been to increase the consumers and diminish the producers; and if all the world could follow our example, the supply of food now pouring into "the great grain market of the world" would be so far diminished that the price would rise. This, however, is but one of the effects that would result from a general determination to put down the colonial system.

We have seen that the consumption of cotton in other countries is small, while here it is large. The price has already fallen so low that the planters are resorting to the cultivation of wheat, a measure that must tend to the injury of the farmer. Now, if we were consuming one half more cotton than at present, this state of things could not exist. The price obtainable by the planter would then be sufficiently high to prevent the necessity of abandoning its culture. Let us now suppose that Canada, and Russia, and Germany, and Ireland, could make a market for their now surplus labour, and thereby enable themselves to consume two or three pounds of cotton, where now they consume but one, and to consume more food than now they do—is it not obvious that the prices of food and cotton would both rise? That such would be the result of the abolition of the colonial system, as regards these countries, appears perfectly certain. If so, then the maintenance and extension of the protective system, with special reference to the entire abolition of that unnatural one which Great Britain has established, appears to me to be, most certainly, to the interest of the farmers as well as of the planters of the Union, and of the world.

Let us next examine the working of the system in Canada, in which there being, almost literally, no manufactures of any kind, there is no market on the land for the products of the land.

Freedom of trade is, there, perfect: that is to say, the people of Great Britain enjoy *a complete monopoly* of the machinery by aid of which alone the lumber and food of the people of Canada can be converted into cloth and iron. The consequence is, that the labour-cost of manufactured articles is so great that the consumption of them is small. The whole export of cotton cloth from Great Britain to her North American possessions, in the seven years, 1840–46, averaged twenty millions of yards, fine and coarse, and if the whole were there consumed, it would give but ten yards per head, or about two and a half pounds of cotton to each individual; whereas the consumption of the Union averages thirteen pounds per head, and is far more than that in the States nearest to Canada. If, now, we desire to know why it is that consumption is less on the one side of the line than on the other, the reason may be found in the fact, that the Canadian gives much more labour for his cloth and his iron than the American. Even his wheat is less in price; and if so, how must it be with those bulky commodities that will not bear transportation? He must, in the words of Sir Francis Head, "eat all he raises," for he has not made, nor can he make a market on the land for the products of the land.

To the Canadians it is perfectly obvious that the price of food with us is maintained by the demand for home consumption, and therefore it is that there exists so universal a desire for the abolition of all restriction in the importation of their productions into the Union. They have perfect freedom of trade with "the great grain market of the world," and by it they are ruined. They desire intercourse with the great grain-*producers* of the world, and to obtain it they would gladly sacrifice their intercourse with England, taking production in lieu of free trade, and becoming members of the Union.

Were Canada within the Union, her consumption of cotton would rise to a level with our own, for she would at once commence to make iron and cloth at home, producing thereby a demand for labour that is now being wasted. Instead of being a customer to the planter to the extent of two and a half pounds per head, every Canadian would take a dozen pounds; and thus would fifteen millions of pounds be added to the consumption, to the infinite advantage of the planter. The farmer of Illinois might then safely admit of free trade with his Canadian neighbours, because with increased home consumption they would experience less necessity for going abroad to find that market for their products which the colonial system now denies to them at home. The farmer who believes in the advantage of free trade with England, should give his vote for the free admission of Canadian wheat, raised by men who consume cloth and iron made by men who eat the wheat of Poland and Russia. The farmer who sees that the price of wheat is maintained by the home demand, will be cautious of the admission of foreign wheat, duty free, until, by means of annexation, the farmer of Canada shall obtain the same protection that he himself enjoys, and thereby be enabled to make a market on the land for the products of the land.

Having thus examined the effects of protection, let us now look to what would be the effects of the adoption of perfect freedom of trade, as urged upon the world by England. It could not fail to be that of *rivetting upon the world the existing monopoly of machinery for the conversion of the products of the farm and the plantation into cloth and iron*, closing the factories and furnaces of Russia, Germany, and the United States, and compelling the people who work in them to seek other modes of employment, and the only resource would be to endeavour to raise food. There would then be more food to sell; but who would buy it? We have already seen that the whole exports of Great Britain amount, after paying for the grain she now imports, to but $4 32 per head, and that, small as it is, it tends to diminish. With that she has to pay for her sugar, tea, coffee, cotton, wool, lumber, and all other foreign articles required for her own consumption, leaving her no power to pay for more grain. Nevertheless it would be poured into her markets, and the consequence would be that she would obtain three bushels where now she has but one, precisely as we have seen to be the case with cotton. "Mark Lane governs the world's grain prices," and as the price obtainable for the surplus would fix that of the crop, the result would be, that the farmers would everywhere be ruined, and this with no benefit to the manufacturers of England, for her farmers would likewise be ruined, and her agricultural labourers would be discharged, as is now the case with Ireland, whose population, deprived of employment at home, swarms to England, and destroys the power of the English labourer to obtain food, even at its present low prices—and the lower they fall, the less must be the demand for labour, and the less the power to obtain wages.

The proverb says, "put not too many eggs in one basket." The object of the British system is, and has always been, that of compelling the world to put all the eggs in the same basket; and the natural result is the occurrence of perpetual convulsions, producing devastation and ruin throughout the world, whenever her artificial system becomes deranged. A review of her operations, during the past thirty years, shows her, at every interval of four or six years, holding out to the world the strongest inducements to send her all they could spare of sugar, and coffee, and cotton, and agricultural produce of every description. About the close of the second year of this movement, when the machinery of importation had got into full operation, a change is seen to have "come over the face of the dream," and the whole energies of the country to have been directed to breaking down prices, with a view to compel exportation. The farmers and planters whom she so recently courted are now ruined. Their agents are selected as the first victims, and if the result be bankruptcy, public or private, it is followed by vituperation of the foulest kind; and thus is insult added to injury. The people of Pennsylvania and Maryland, Indiana and Illinois, Michigan and Mississippi, have had to endure all this, the result of the working of the Compromise tariff of 1833. In 1846, the whole world was urged to send food at any price.

In 1847, the whole object was to depress prices. Rice was sold for the mere freight and charges. Large shipments of corn brought the shippers in debt for the payment of those expenses. The fever and the chill having passed away, there is next seen to succeed a period of languor: then one of moderate activity, such as is now beginning to make its appearance. Next, speculation, excitement, and large imports, to be followed by the ruin of all around, in the effort to save herself. At the present moment, she takes certificates of debt in payment for iron, as was the case ten years since; but the day is not far distant when these certificates will have to be redeemed with gold.

Were it proposed to the people of the Union to make New York or Pennsylvania the deposit for all the products of the Union that required to be converted or exchanged, the absurdity of the idea would be obvious to every one. The wheat-grower of Michigan would find himself entirely at a loss to know why he should exchange with the neighbouring wool-grower by way of New York; and the cotton-grower of South Carolina would be equally at a loss to see the benefit of a system that should compel him to exchange with the wheat-grower of Virginia, through the medium of Philadelphia or Pittsburgh; yet such is precisely the object of the colonial system. The wheat of Michigan travels to Liverpool with the wool of Michigan, and the exchanges between the wheat-grower and the wool-grower are effected through the market of Leeds, three-fourths of the wool and the wheat being lost on the road. The rice of South Carolina goes to Manchester in company with the cotton of South Carolina; and the corn and the cotton of Tennessee cross the ocean together; and this long journey is performed under the idea that the planter can obtain more cloth for his rice, or the farmer more iron for his corn, by this circuitous mode of exchange than he would do if the exchanges were made on the spot. There are many who doubt the truth of this, yet all English politico-economical writers assure us that such is the fact; and every measure now adopted by the British Government is directed towards the maintenance of the *monopoly of machinery*, by aid of which the people of the world have been compelled to make their exchanges in her factories.

If such a course would, under any circumstances, be absurd, how much more absurd is it in a case like the one under consideration, where the power of purchase is so small, and so little capable of increase. Whatever goes to England must be there consumed, unless it can be forced off by means of low prices; and for what she consumes, be it much or little, she has $4·32 per head of her population to distribute, in the form of cloth and iron, among the farmers and planters of the world. It is a Procrustean bed, and the misfortune of the poor farmers and planters is, that whatever she cuts off from the portion sent to her is, as a consequence of the system, cut off from all the crop.

The producers of the world have been, and they are now being, sacrificed to the exchangers of the world; and therefore it is that agriculture makes so little progress, and that the cultivators of the earth, producers of all we consume, are so universally poor, and so generally uninstructed as to their true interests. The day, however, cannot be far distant when our farmers and planters, at least, will be satisfied that their interests cannot be promoted by a system that separates the consumers from the producers, and renders cloth and iron so costly as to cause the average amount of the consumption of either to be utterly insignificant.

The object of protection is that of diminishing the distance and the waste between the producer and the consumer; thereby enabling the producer to grow rich, and to become a large consumer of cloth and iron. That it did produce that effect is obvious from the immense increase in the consumption of both in the period between 1843 and 1847. That the facility of obtaining iron enabled the farmer to improve his mode of production and obtain large returns is obvious from the fact that the supply of food increased so rapidly. That the free-trade system produces the reverse effect, is obvious from the great reduction in the consumption of iron in the years 1842 and 1843, and from the reduction now going on; the whole consumption of this year not equalling that of 1847, notwithstanding the vast increase of population.

The producers of food throughout the world have one common interest, and that is to be promoted by the abolition of the existing *monopoly system,* which tends to destroy themselves and their customers.

The farmer is also a *producer of wool,* and therefore I will briefly allude to that interest.

If we desire evidence of the truth of what has been said in relation to food, it may be found in the condition of the wool market for several years past. Our production is less than our ordinary consumption, and the consequence is, that the price is *higher* than in any country of the world, by the whole amount of the cost of transportation.* Close the woollen mills, and the price must fall to the level of the markets of Europe, *minus* the cost of exportation. The increased supply then would, as a matter of course, produce a fall of prices, and then the sheep grower would be ruined.

The changes of policy of the last twenty years have several times ruined the woollen manufacturers, and the sheep growers have as often exterminated their flocks; the consequence of which is, that we have less than 30,000,000, when, if the policy adopted in 1828 had been maintained, we should now have 100,000,000, and a market for their whole products at higher prices than now; for the prosperous labourers, miners and mechanics, cotton-growers and food-growers, would then consume six pounds where now they consume but three, and the number of our population would be greater by 7,000,000 than at present. The discord that now exists is the result of the "war upon the labour and capital of the world" maintained by England, and when peace shall have been restored by the abolition of the monopoly, it will be found that, between the interests of the sheep-grower, the producer of food, the miner and the mechanic, there is perfect harmony.

CHAPTER ELEVENTH.

HOW PROTECTION AFFECTS THE PLANTER.

Having thus shown how the English, or colonial, system operates upon the farmers of England and of the world at large, I propose now to examine how it operates upon the planters.

Of all the products of the earth, cotton is that which is best fitted for clothing purposes, and that which would be most universally used were it accessible to those who desired to use it, which it is not. There are few commodities that can be more easily raised, none that can be converted into clothing at less cost of labour, and yet, so defective are the arrangements for its distribution, that by the time it reaches the consumer it has become so costly that its consumption is almost nothing.

The whole quantity of cotton raised is probably 1,500,000,000 pounds being about one and a half pounds for each person composing the population of the world; yet, notwithstanding the exceeding smallness of this quantity, the power of consumption throughout the world is so small that the producers are contending with each other for the possession of the markets: and the competition is so great that whenever the crop of this country reaches 1000,000,000 pounds, it is sold at a price less than the actual cost of production. Some of the countries that formerly exported it to a considerable extent, now raise little more than is needed for their own small consumption; and even here the question of limiting the quantity, as the only way to avoid ruin, has been the subject of anxious discussion. Throughout the South, planters are turning their attention to food, although the market for every description of food is, and must continue to be, glutted, unless we have a change of policy.

There is a perpetual complaint of over-production, and it is matter of rejoicing when, by reason of short seasons, or any other occurrence, the crop is diminished 200,000 or 300,000 bales, the balance producing more in the market of the world than could otherwise have been obtained for the whole. No better evidence need be desired that there exists some error in the distribution.

Over-production cannot exist, but under-consumption may and does exist The more that is produced, the more there is to be consumed; and as every man is a consumer in the exact ratio of his production, the more he can produce the better it will be for himself and his neighbour, unless there exist some disturbing cause, preventing the various persons desiring to consume from producing what is needed to enable them to effect their exchanges with the planter, to the extent that is necessary to their comfort.

In examining into the movements of the cotton trade of the world, I may sometimes have occasion to refer to facts already given; and if I prefer to re-state them, it is because, from the great importance of a proper understanding of the subject, I deem it best to collect all the facts necessary to that end under one head.

The two great cotton-producers of the world are India and the United States. The former has long exported to distant markets food and cotton, indigo and saltpetre, bulky articles, the freight and charges upon which absorb nearly the whole product, and, as a necessary consequence, the condition of the people has steadily deteriorated. The difficulty of obtaining food has steadily increased as her manufactures have declined, and repeated famines and pestilences have swept off millions, thus diminishing the power of combination; and she now *therefore* exports men to occupy the places recently occupied by the slaves of Jamaica, Guiana, Demarara, and other of the West India colonies. With each such step, the cotton culture recedes from the low and rich lands towards the higher and poorer ones, and the condition of the cultivator deteriorates, for with each a larger proportion of his product is swallowed up in the cost of transportation.

In the early part of the present century, the manufacturers of India supplied cotton goods to a large portion of the world. England had then, however, invented machinery for its production, and to secure herself in its exclusive use she had prohibited its export, as well as that of artisans, and thus she compelled the cotton to come to the loom, instead of permitting the loom to go to the cotton. By degrees she cut off the foreign market of the manufacturer, but his home market still remained to him, so long as the Company retained the exclusive control of the trade. In 1821, the last year of the monopoly, the export from England to India was but 5,000,000 of yards, and 4,000,000 of pounds of yarn. In 1832, it had reached 60,000,000. In the first half of last year it was 110,000,000 of yards, and 10,000,000 of pounds of yarn. Large as are these figures, they require but little more than 100,000 bales for their production, and would make a consumption of perhaps 220,000 bales per annum, to take the place of that which has ceased to be raised. With every step in the increase of importation, production has diminished. The culture and the manufacture both have disappeared from the rich lands of Bengal. The fields formerly occupied by this most useful plant have relapsed into jungle, and if we now desire to find the poor cotton planter we must seek him among the hills, where he obtains small crops in return for much labour, and then spends months in the work of transportation to the Ganges, where his miserable product is shipped to Calcutta on its way to England, to return to him at the close perhaps of the second year, giving him a few yards of poor cloth, a combination of cotton and flour, in return for the cultivation of an acre of land.*

Under this system the value of labour diminishes steadily and regularly, and with it the quantity and quality of the cotton produced,† yet Englishmen are accustomed to regard the low price of labour as one of the elements of cheap production, and to look to it as affording good reason to hope for large supplies in future. Thus Mr. Porter informs us that:—

> "In the level plains of Candeish, and in many other parts of Hindostan, cotton wool, freed from the seed, could be sold with a profit to the cultivators, at one penny per pound, a cost which is trebled or quadrupled by the expense of conveyance to the ports of shipment."—*Porter's Progress of the Nation.*

The price which remains to the cultivator is one penny per pound, but where "the profit" is to be found when the whole wages consist in an insufficient supply of the poorest food and clothing, followed by famine and pestilence in every case of failure of crops, it is difficult to imagine. Such, however, is the usual mode of treating this subject in England.‡ The more

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* The produce of the great cotton-growing districts on the Nerbudda is carried on oxen, each taking one hundred and sixty pounds, at the extreme rate, in fair weather, of seven miles a day. The distance to Mirzapore, on the Ganges, is five hundred miles, and the cost is two and a half pence, or five cents, per pound. Thence it goes to Calcutta, a distance of eight hundred miles, by water, unaided, I believe, by steam. From another portion of the cotton-growing districts, in the Deccan, the transport occupies a continuous journey of two months, and in the rainy season the road is impassable and the traffic of the country is at a stand. *In the absence of even a defined road*, the carriers, with their pack cattle, are compelled to travel by daylight to prevent the loss of their bullocks in the jungles through which they have to pass, and this under a burning sun of from one hundred to one hundred and forty degrees. If the horde, sometimes amounting to a thousand, is overtaken by rain, the cotton, saturated with moisture, becomes heavy, and the black clayey soil, *through which lies the whole line of road*, sinks under the feet of a man above the ankle, and under that of a laden ox to the knees: and in this predicament the cargo lies sometimes for weeks on the ground, and the merchant is ruined! "Black clayey soils," rich and fertile, are here superabundant, but the poor wretch who raises the cotton must cultivate the high lands that require neither clearing nor drainage, and his masters take half the product of their poor soils while refusing even to make a road *through* the rich ones: yet forcing him to send his cotton to market to be exchanged for cotton cloth manufactured thousands of miles distant. A system better calculated to compel men to continue cultivating the poorest soils, by aid of sticks, could not be devised.

† Import of cotton from India into England:—

1844	88,000,000 lbs.
1845	58,000,000 "
1846	34,000,000 "

Total export of all India to all parts of the world:—

1835–36	1,305,000 cwts
1836–37	1,557,000 "
1844–45	1,623,000 "
1845–46	1,328,000 "
1846, 8 months	600,000 "

‡ A series of popular lectures on the cotton manufacture has recently been delivered in London, by Mr. Warren, of Manchester. In his first lecture he stated that should the

unproductive labour can be made the lower will be its price, the more confident will be the hope of using it to advantage, and the larger will be the sums expended in an effort that must prove for ever vain, while the people shall continue to be prevented from consuming on the land the products of the land.*

The deterioration of quality is due to the recession of cultivation from the lower and richer lands; and that recession is a consequence of the system that has ruined the manufacturers of India, and destroyed the power of combination of action. We know the superiority of the sea-island cotton. In Demarara, cotton plantations have always succeeded better on the sea-coast than in the interior. So was it in India. Salt manure is deemed to be of absolute necessity if superior quality be desired, as it gives a staple at once strong and silky. Such being the case, it is useless to attempt improvement, when day by day the cultivation recedes from the neighbourhood of the sea, producing in England a strong desire for the making of railroads by which it may be enabled to make its way from the hills without costing more labour for its transportation than had been required for its production. Every such effort must prove a failure. Free trade with England drove it to the hills. Freer trade will drive it to hills yet more distant. In some cases it is thought that if the poor people could be provided with carts, they could extend the culture with advantage, but the use of such vehicles supposes the previous possession of something like laid-out roads, and those are luxuries with which most of India is yet unprovided.

Like the people of India, those of the Southern States of the Union have, thus far, had a bulky outward trade, that had, of course, to bear all the expenses of the voyage out and home. For a time, this prospered. India was distant from the machinery of conversion and Carolina was near, and while it still continued necessary to resort to the former for supplies, the price of that raised in the latter was the price in India, *plus* the difference of transportation. England was a sort of home market in which the planter obtained twenty or thirty cents per pound. By degrees, however, the near supply rose above the near demand, and it became necessary to seek for

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manufacturing population of that country increase during the next ten years in the ratio in which it has done during the last, it will become necessary, in order to employ them, to secure a permanent and cheap supply of cotton. This can be done, he thinks, by cultivating it in British India, where, on the authority of Major-general Briggs, Sir Charles Forbes, and others, there can be produced a supply sufficient for the wants of the entire world, equal in quality to the article supplied from New Orleans, *and cheaper than it by one-half.* He states the wages of American slave labour to be equal to about 1*s.* 6*d.* per day, while *that of the free Hindoo is only about two pence.* The advantages to be derived from such a course, he stated to be the certainty of a good and adequate supply at a cheap rate, the consolidation of our Indian possessions by the means of commerce, and the emancipation of the American slaves, by rendering their labour profitless to the owners.

* The "London Chronicle," of a late date, has an article showing that the efforts which have been put forth during the last few years to make India a cotton-growing country that might rival the United States have entirely failed. It notices the failure and abandonment of the experiments in cotton cultivation that have been carried on, under Dr. Wight's superintendence, at Madras. This enterprise, which had for its object the production of an article less palpably inferior to the cotton of America than the present badly-picked and indifferent Indian commodity, was zealously, and even lavishly, supported by the local government; but the late failure of a similar experiment in Bengal, after an outlay of about £100,000, had already given fair warning of the probable issue of Dr. Wight's efforts in the sister presidency, and with its abandonment would seem to settle the question that India will not again become, as it once was, a great cotton-growing country. In 1796 America did not export a single pound. In 1834 she exported as much as all the rest of the world put together. And in 1846, out of 467,856,274 lbs. imported into this country, 401,949,893 lbs. came from the United States, while only 34.556,143 were supplied by the East Indies and Ceylon! The total value supplied from India in 1845 did not exceed £600,000.

markets for cloth and yarn in India and China, in which the price realized by the producer could not exceed that at which it could there be sold, *minus* the difference of transportation. The necessary effect of this was to diminish the productiveness of Indian labour, and the power to consume cotton, and of course to increase the quantity to be forced upon the world, and with every step in course of this operation, there has been increased competition on the part of the American grower; the result of which is, that the Indian producer is ruined, and the American one is saved from ruin only by destructive operations of nature, frosts, freshets, and crevasses, by aid of which the supply is retained within the limits of demand.

The average consumption of this country is not less than thirteen, and is, most probably, fifteen pounds per head; and it is less, by at least one-half, than it would be but for the heavy cost, in labour, to the consumer. The average consumption of the world, outside of the Union, is little more than one pound per head, or about one-thirtieth of what it ought to be; and yet cotton has become almost the weed of the world, and men are everywhere desiring to substitute in its place something that could be better grown elsewhere. On the high lands they substitute wheat, which would grow better farther north. On the low lands they raise sugar, which would be much more productive farther south. Here are serious discords, and it is important that we trace the cause of their existence, with a view to provide a remedy for a state of things so unnatural.

With a view that we may do so, I give the following

SUMMARY STATEMENT OF CROPS, CONSUMPTION, &c., OF AMERICAN COTTON, FOR TWELVE YEARS.*

	Crops, as shown by receipts the 31st Aug.	Consumed in the U. States, year end'g 31st Aug.	Stock at the ports end of the year 31st Aug.	Imports of American Cotton into Great Britain, from 1st Jan. to 31st Dec.		Total am't. of American Cotton consumed in Great Britain.	Stock of Am. Cotton in Gt. Britain, Dec. 31.	Average quot. of Uplands in Liverpool.
1836—7	1,422,930	222,540	109,036	1837	844,812	778,492	158,100	7 *d.*
1837—8	1,801,497	246,063	68,961	1838	1,124,800	913,328	316,100	7
1838—9	1,360,532	276,018	69,963	1839	814,500	813,488	242,300	7⅞
1839-40	2,177,835	295,193	78,780	1840	1,237,500	1,018,784	403,000	6
1840—1	1,631,945	297,288	72,479	1841	902,500	809,900	344,600	6¼
1841—2	1,684,211	267,850	31,807	1842	1,013,400	893,256	373,400	5⅜
1842—3	2,379,460	325,129	94,486	1843	1,396,800	1,110,046	593,200	4⅝
1843—4	2,030,409	348,744	159,772	1844	1,246,900	1,126,008	654,900	4⅞
1844—5	2,415,448	389,006	98,420	1845	1,499,600	1,289,808	809,100	†4⅜
1845—6	2,100,537	422,597	107,122	1846	937,000	1,280,096	397,800	4⅞
1846—7	1,778,651	427,967	214,837	1847	874,100	867,516	286,200	6⅜
1847—8	2,347,634	581,772	171,468	1848	1,375,400	1,189,500	348,300	4¼

The stock in our own ports, Aug. 31, 1836, appears to have been,			109,000
That of American cotton in English ports, - - -			90,000‡
The crops of the twelve years, from 1836–7 to 1847–8, were			23,571,000
To which must be added, for the additional consumption in the South and West, in the last two years, - - -			125,000
Total, - -			23,805,000
The stock in port, and in G. B. at the close of the season 1847–8,			520,000
Consumption of twelve years, - -			23,375,000
Thus divided—English, - - - - -		12,100,000	
American, - -	4.052,000		
Additional, as above,	125,000		
		4,177,000	
Leaving for the rest of the world,		7,098,000	
			23,375,000

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* From the New York Courier and Inquirer.

† Duty, $\frac{5}{16}$*d.* per lb. taken off by Act of Parliament, passed 8th May, 1845.

‡ The imports of 1837 exceeded the consumption by 66,000 bales, and the stock, at the close of the year, was 158,000, from which, if we deduct the 66,000, there remain 92,000.

	Average of the first Two Years.	Total Average.	Average of last Two Years
English,	846,000	1,008,000	1,028,000
American,	285,000	348,000	542,000
All other,	444,000	591,000	548,000*
	1,525,000	1,947,000	2,118,000

From this we see that the average consumption of the twelve years exceeded that of the first two, in the following ratio:—

English,	18 per cent.
American,	50 " "
All other,	22 " "

But when we compare the first and last two years of the period, we obtain the following results:—

English,	21 per cent.
American,	125 " "
All other,	28 " "

The portion of Europe that has most fully adopted the system of protection being the *Zoll-verein*,† it will be useful to compare the growth in their consumption with that of Great Britain and Ireland.

The imports of raw cotton into *Prussia* before the formation of the Tariff-league or *Zoll-verein*, remained from 1827 to 1835 stationary at 44,000 cwts. per annum.‡ That of yarn increased from 1823 to 1835, from 61,000 to 115,000 cwts. The total increase of twelve years, was from 105 to 159,000 cwts., or from 30 to 45,000 bales. The following shows the growth from that period in the territories of the confederation:—

	1836.	Average from 1837 to 1841.	1843.	1845.
Raw cotton, quintals	152,364	200,093	306,731	443,887
Cotton twist and wadding, do.	244,869	351,884	475,564	574,303
	397,233	551,977	782,295	1,018,190

The quantity has more than doubled, and the home consumption has increased about 75 per cent.§ in a period during most part of which our own consumption had remained stationary.‖ The quantity of twist and wadding imported from Great Britain had increased 135 per cent. in a shorter period than was required in the latter for an increase in her home and foreign consumption of only 21 per cent. The power to import thus grew with the power of production. It is obvious that the consumption tends, and must tend, to increase most rapidly where there is the least intervention between the producer and the consumer, and equally so that the English demand, based upon the principle of intervention between the two, and consequent increase of cost to the consumer, cannot be largely and permanently increased. That of 1846–7 was less than that of 1837–8, and the difference between that of 1839–40 and that of 1847–8, great as was the fall of prices, was but 171,000 bales.

The great increase in the consumption of the *Zoll-verein* is due to protection. If, now, from the additional British consumption we deduct the *additional* yarn sent to this one protected country, we shall be enabled to see how trivial is the power of increase in the *unprotected* world. The account will then stand thus:—

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* This period embraces a season of war and convulsion over the whole continent.

† De Bow's Commercial Review, Vol. V. p. 267.

‡ Merchants' Magazine, Vol. XIII. p. 286.

§ Ibid.

‖ The increase of consumption after the formation of the Union was very rapid. As early as 1838, it was said, that "The cotton manufacture of Saxony had already become of twice the extent it had reached before the Union."—*Porter's Progress of the Nation*, Vol. II. p. 198. The quantity of cotton hosiery made in Saxony has increased immensely of late, and from its cheapness has not only secured the monopoly of the markets of the Union, but has also been shipped largely to the United States.

	First two years.	Last two years.	Ratio of increase.
English	846,000	958,000*	13 per cent.
Zoll-verein (1836)	100,000	230,000*	130 "
American	235,000	542,000	125 "
All other	344,000	378,000	10 "

In the one case England took **846,000** at **7*d*.**, total . **$53,000,000**
In the other, **958,000** at **5½*d*.** **48,000,000**

In both, the price was fixed in her own ports, and regulated by her own power of purchase. Had our home consumption absorbed **200,000** additional bales, thus reducing the supply to **750,000**, the price would have been **8*d*.** and the amount would have been **$54,000,000**
and the product of the whole crop would have been almost doubled.

The consequence of this incapacity of extending her foreign market is, of course, the accumulation of large quantities in English ports, accompanied by a fall of prices, by aid of which the English consumer obtains a larger quantity for the labour that he can afford to give in exchange for the materials of clothing, and that tends to decrease as his labour becomes more unproductive, and as the disposition to "fly from ills they know" increases. This will be seen by the following table:—

Crop.	Bales.	Average price.	British and Irish consumption. Quantity.	Value.
1839	1,368,000	14·5 cents.	73,000,000 pounds.	$10,585,000
1840	2,180,000	8·6 "	172,000,000 "	14,620,000
1841	1,634,000	10·3 "	97,000,000 "	9,991,000
1842	1,684,000	8·2 "	97,000,000 "	7,954,000
1843	2,388,000	6 "	120,000,000 "	7,200,000
1844	2,030,000	8·1 "	124,000,000 "	10,116,000
1845	2,100,000	5·9 "	164,000,000 "	9,696,000
1846	2,101,000	7·3 "	147,000,000 "	10,731,000
1847	1,778,000	10·1 "	77,000,000 "	7,777,000
1848	2,347,000	7 "	130,000,000 "	9,100,000
	1,961,000	8·6 "	1,201,000,000 "	9,777,000

The total home consumption by the **27,500,000** composing the population of the United Kingdom, was thus but **1,200,000,000** pounds, or an average of **120,000,000** per annum, giving **4⅓** pounds to each individual, supplied at a cost so low as to ruin the producer. The average of the first two years was **122,500,000**, while that of the last two years was but **102,500,000**, notwithstanding an increase of population that should have brought it up to **140,000,000**.

From this statement it appears clearly that the power of the people of Great Britain and Ireland, to be customers to the cotton planters of the world, cannot go much beyond **$10,000,000**; and that, instead of increasing with the population, it tends decidedly to diminish. The reason of this appears to me obvious. The people of England are perpetually engaged in the effort to sell the products of their labour in distant markets, in competition with low-priced labour, and therefore at the *lowest* price; receiving payment in food and other articles of consumption produced in distant markets, which come to them burdened with enormous cost of transportation, and therefore

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[*] I have deducted and added only 70,000 bales, supposing the last two years' export not to have been as great as that of 1845.

obtained at the cost of much labour. The natural growth of production elsewhere tends to increase the supply of raw materials, but the power to pay for them does not increase, because the labour of British subjects, home and colonial, instead of becoming more productive of commodities to be given in exchange, is becoming less so from month to month and from year to year, and yet into that constantly diminishing market are thrown all the surplus products of the world, that the price of the whole product may there be fixed. The effect of this is to throw on the planters the loss that should belong to themselves, and thus enable them to supply themselves at the *lowest* price; whereas, whenever the cotton planter shall cease to be dependent upon them for his market, they will again, as formerly, be obliged to buy at the *highest* price. The product of British labour, measured in the article of first necessity, food, is small, and the surplus remaining, to be applied to the purchase of clothing, is therefore very small indeed. They are incessantly engaged in supplying low-priced, and often worthless clothing to the world, and are therefore unable to clothe themselves.

That the tendency is downward, seems scarcely to admit of a doubt. A few years since, by a great effort, the poor-rates of England were reduced to less than £4,000,000. They have since risen gradually, and those of 1848 were £7,817,000, or $38,000,000. Every ninth person is a pauper. In Scotland, the destitution of a large portion of the population is frightful. The people of the Northern and Western Highlands are in a state of pauperism; and Glasgow and its vicinity present a scene of wretchedness scarcely, if at all, to be exceeded in the world. Ireland is exhausted. There being no separate accounts of the imports into that kingdom, it is not possible to ascertain the present consumption of cotton, but the condition of the people is now far lower than at the dates of the following returns:—

The whole import of cotton into Ireland from all parts of the world, in the twenty years from 1802 to 1821 both inclusive, amounted to 538,542 hundred weights, or about 150,000 bales, being an average of 7500 bales per annum, and the whole import of cotton yarn, to 19,995,350 pounds, or about 1,000,000 pounds per annum, the product of about 4000 bales, making a total of 11,500 bales.* The amount of cloth imported is not given.

In 1825, the year of great expansion everywhere, with an export to Great Britain of agricultural products amounting to almost $35,000,000, we find the import of cotton-wool to have been 4,065,930 pounds, and the import of cotton cloth to have been 4,996,885 yards, making in the whole about 6,000,000 pounds, or about 18,000 bales of cotton, in all its forms, required for the supply of almost 8,000,000 people; being about three-quarters of a pound per head.

In subsequent years, no information can be obtained, owing to changes in the mode of keeping the custom-house accounts; but in a general report on the state of the trade of Ireland, made by a committee whose object would not have been promoted by under-estimates, it is stated that the import of cotton-cloth into that kingdom was, in 1835, 14,172,000 yards, being equal to about 4,000,000 pounds of cotton, or half a pound per head. What quantity of cotton-wool, or yarn, was imported at that time, cannot be ascertained, but it is elsewhere shown that some of the largest establishments for manufacture, of a period somewhat earlier, had disappeared, and that the calico printers were in a state of bankruptcy.†

We may now look to the consumption of the colonies of Great Britain. In the years 1845, '46, '47, the export to them was as follows,‡ in millions of pounds:—1845, 85; 1846, 87; 1847, 67. Of this, however, large quantities went to Gibraltar, Malta, Jamaica, and other places, to be smuggled into Spain, Mexico, and other countries, and the consumption of the colonies of themselves could not have exceeded 70,000,000, or about 170,000 bales, for more than 100,000,000 of inhabitants. During this time, the average price was a fraction over 7 cents, and it follows that $5,000,000 is the maximum amount of trade maintained, through the medium of England, by the planting States of the Union, with a large portion of the people of the world, although producing two-thirds of the whole quantity of this necessary commodity for the use of the world.

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* Ireland before and since the Union, by R. Montgomery Martin, pages 56 to 60. † Ibid

‡ Merchants' Magazine, Vol. XIX. 600.

Taking the total consumption of the United Kingdom and the colonies, we now have the following quantities :—

	1845.	1846.	1847.
Millions of pounds	239	234	144

Need any better evidence be desired of the poverty inflicted by the system upon all the people subject to it, than the fact that an increase of price equal to one cent per yard reduces the consumption almost one-half?

Let this be compared with the growth of consumption in the protected markets of Germany and the United States, and it will be seen how steady is the protected, or real free-trade, system, compared with the perpetual change of the monopoly one. How great, too, the difference in the consumption per head!

While England and all her vast possessions consumed but	144,000,000
the consumption of the *Zoll-verein* (population 25,000,000) had grown in nine years from 45,000,000 to	115,000,000
and that of the Union was	243,000,000

We have seen how slow has been the growth of the English demand, and it may now be well to see the wasteful and exhausting process by which even this has been obtained. "The extremely low price of cotton," say Messrs. Rathbone, Brothers & Co.,* "has encouraged the manufacture of a very inferior class of goods, which require a great weight of cotton compared to the labour expended on them, and *of which the make ceases entirely when cotton is moderately high.* The demand for very coarse yarn," they continue, "is always large at very cheap prices, but in the year just closed it has exceeded all precedent,† particularly for export, chiefly to the Levant, and in some instances to accelerate its make, *it has not passed through all the usual processes.* It is on the consumption of cotton for these classes of goods," they add, "that even a moderate advance in prices is apt so immediately to tell." The cotton thus forced into the Levant goes to the same countries that before were supplied from India, and thus is the poor Hindoo deprived of another portion of his market, the necessary consequence of which must be a further depression of prices, and increased inability to continue the work of production. The decline in the trade of Western India is remarkable, and is probably the result of this flooding of the Asiatic markets with half-made cotton goods.‡

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* Circular, January 3d, 1849.

† The prices of ordinary cotton ranging during a large portion of the year, from 3*d.* to 4*d.*

‡ The average imports of Bombay for the five years ending December 31, 1846, were 63,000,000 of rupees, while those of 1846 were only 52,000,000. The exports were as follows :—

		5 years ending December 31, 1846.	1846.
Cotton,	bales	380,987	257,743
Wool,	lbs.	3,421,976	4,626,470
Coffee,	lbs.	3,140,821	1,529,900
Pepper	cwts.	47,260	46,182
Indigo,	lbs.	135,833	55,928
Ivory	cwts.	5,764	6 109

It has been seen how large was the export to India in the first six months of the year, and now we see by the newspapers of the day what are the consequences. Low as was the price of cotton, the speculation has not answered. The markets are glutted, and the prices are unremunerative. "Great caution," it is said, "must now be exercised, or the exporting houses will suffer exceedingly."* The small rise in price has already caused many mills to commence working short-time, and the operatives in them are thus deprived of the power to purchase clothing. It is the most gambling, and most extraordinary system, and the most destructive to the interests of the agricultural population of the world that has ever been devised. The fever and the chill succeed each other with such rapidity that we are scarcely advised of the arrival of the one, before we see indications of the approach of the other. The cause of this difficulty of extending the sale of cotton in distant markets is to be found in the fact that the labour-cost of cloth so obtained is great. We have seen that the extension of the manufacture in this country for a few years following the passage of the tariff of 1828 was rapid, and that it then became almost stationary under the Compromise, yet the import not only did not increase but decreased until it reached the lowest point in the period of 1842–43. The labour-cost of clothing was steadily increasing, but as the tariff of 1842 came into operation the labour-cost diminished, and there arose a power to pay for finer cloths from abroad, and thus the import and manufacture increased together. If we desire to see the operation of this, we need only take a single farmer of Tennessee or Kentucky, who obtains 30 or 40 bushels of corn in return for the labour bestowed on an acre of land, and is happy to sell it at 20 cents per bushel,† when the price in Liverpool is 75 or 80 cents. Thirty-five bushels yield here $7, which is about the cost of 70 yards of tolerable cotton-cloth, plain and printed, when received on his farm. To produce those 70 yards would require 20 pounds of cotton, or one-twentieth of the product of a well-cultivated acre. To convert those pounds into yards of cloth requires far less than half the capital, and half the labour required for their original production. Taking, however, the conversion at one half, and adding that proportion to the number of pounds, we obtain the equivalent of 30 pounds of raw cotton as the return for 35 bushels of corn, and yet that corn sells, at the place of consumption, for as much as would purchase almost a bale of cotton. It is obvious that though the money-price of the cloth is low, the labour-price is high, and it is by the latter that the power of consumption is measured. The cloth, too, is worthless. As far back as 1832, the quantity of flour required for the use of the cotton factories of England was stated at *forty-two millions of pounds*,‡ or almost as much as the weight of 100,000 bales of cotton, all of which is traded off as cotton, to the poor consumers of distant lands, who are thus defrauded and impoverished.

Bad as is even this, it is far from all the loss that is sustained. The corn is sent from the land, and the farmer loses the refuse. The land is impoverished, and its occupant is compelled to fly to other lands, to be again impoverished. ***The loss from this source alone is far more than the value of all the imports into the Union, of every description, from all the manufacturing nations of the world.*** The apparently cheap clothing is very dear. It is obtained at the cost of much labour, and of little value when obtained.

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* Morning Herald, November.

† "Tennessee grows more corn than any State of the Union. A few months since we took the liberty to ask a farmer from Tennessee who had a drove of hogs in our streets, the price of corn in the region from whence he came. He replied that it was worth ten cents, and wheat fifty cents a bushel."—*Augusta Chronicle, May*, 1849.

‡ McCulloch's Commercial Dictionary, article *Cotton*.

What is true of Tennessee and India, is equally so of the other parts of the world that are compelled to depend on England for supplies of cotton cloth. The poor Russian obtains less than a pound of cotton for a bushel of wheat, and thus he gives ten days' labour for one; whereas, if he could have cotton converted on the spot, by the man who ate his food, he would obtain day's labour for day's labour. So is it with the German, the South American, the Mexican, the Italian, the Spaniard, and the Turk. The system tends to prevent concentration and combination of action, and to diminish the value of labour throughout the world, and it is because of this, that almost all nations are endeavouring to shut out the manufactures of Great Britain. Everywhere, however, they are met by the smuggler, now regarded by the highest authorities of Great Britain as the greatest of reformers. Gibraltar is maintained for the purpose of smuggling goods into Spain. Exhausted Portugal receives millions of pounds of cotton goods, likewise to be smuggled into Spain; and thus is that unfortunate country kept in a state of poverty, because the people of England are pleased to believe that it is profitable to buy cloth produced abroad, while the labourer at home is idle for want of demand for his labour, and the food perishes on the ground for want of mouths to eat or roads to transport it.

If the system tends to the exhaustion of the people who have to buy cotton at so high a price, not less does it tend to the exhaustion of those who have to produce it, and who are compelled to sell at whatever price the people of England think proper to fix upon it. Why that is so, may, perhaps, be ascertained by an examination of the following table:—

Crop.	Stock in Liverpool, Dec. 31. Bales.	Price.	Gross proceeds of sales of American cotton in Liverpool, from which are to be deducted freights, commissions, &c. &c. Weight of bale estimated at 450 pounds.
1837—1,422,000	158,000	7*d.*	$49,000,000
1838—1,801,000	316,000	7	57,000,000
1839—1,360,000	242,000	7⅞	57,000,000
1840—2,177,000	403,000	6	55,000,000
1841—1,631,000	344,000	6¼	45,000,000
1842—1,684,000	373,000	5⅜	47,000,000
1843—2,379,000	593,000	4⅝	47,000,000
1844—2,030,000	654,000	4⅞	49,000,000
1845—2,415,000	808,000	4⅜	51,000,000
1846—2,100,000	597,000	4⅞	56,000,000
1847—1,778,000	286,000	6½	51,000,000
1848—2,347,000	348,000	4¼	45,000,000

The quotations of the latter portion of the last year were below the average, being about 4*d.*, and about that point they remained for several months, until the chief portion of the crop had been shipped. The unfavourable prospects for the new crop tended to prevent a further fall, but it is impossible to tell what would have been the price had that of the present year increased in its proper ratio to the population engaged in its production. It would certainly have fallen much below even fourpence. An examination of this table will, I think, enable us to understand the cause of the present extraordinary state of things. A large portion of the crop of the present year has been destroyed by frosts, freshets, &c., and that fact, instead of bringing with it distress and ruin, has brought with it increased activity and life among planters, and increased power to consume cloth, sugar, coffee, &c. Why is it so? The answer can, I think, readily be given.

The amount that can be collected by Great Britain, in payment for American cotton, consumed at home and abroad, and for freights, commissions, &c., appears to be limited to somewhere between $45,000,000 and $57,000,000.

with an obvious tendency to diminution. Of the crop of the past four years, the quantity consumed among ourselves, and exported by us directly to foreign ports, has not varied materially from 1,000,000, The balance has gone to England, who has $57,000,000 with which to pay for 900,000 bales, say $63 a bale. The crop, however, reaches 2,400,000 bales, and we send her 1,400,000; all of which have to be compressed within a smaller sum than 57,000,000, for now there are large expenses for storage, interest, risk, &c., and the amount falls to 50,000,000, leaving the planter but $36 a bale, out of which he has to pay the high freights consequent upon large crops, and upon a large number of bales, instead of that moderate freight that would have accompanied small ones, and upon a small number of bales. The price obtained in England fixes that of the crop, and the result is as follows:—

1,900,000 bales at $63,	$120,000,000
Less low freights, at home and abroad, upon a small quantity.	
2,400,000 bales at $36,	86,000,000
Less high freights, at home and abroad, upon a large quantity.	

It is obvious that it would have been far better that the 500,000 bales should have been burned, or destroyed by frost before being picked.

The crop of 1844 was 812,000,000 pounds, and the product was estimated at	$65,772,000
In 1845, it rose to 958,000,000, and the product fell to	56,000,000
In 1847, it fell to 711,000,000, worth	72,000,000
In 1848, it rose to 1,100,000,000, and until the occurrence of frosts and freshets, the prospect was that it would not average at New Orleans more than 5½ cents, or	60,000,000

The gradual but steady subjugation of the planters to the system may be seen from the following facts: From 1830 to 1835, the price of cotton here was about eleven cents, which we may suppose to be about what it would yield in England, free of freight and charges. In those years our average export was about 320,000,000, yielding about $35,000,000, and the average price of cotton cloth, per piece of 24 yards, weighing 5 lbs. 12 oz., was 7*s.* 10*d.*, ($1·88,) and that of iron £6, 10*s.*, ($31·20.) Our exports would therefore have produced us, delivered in Liverpool, 18,500,000 pieces of cloth, or about 1,100,000 tons of iron. In 1845 and '46, the home consumption of the people of England was almost the same quantity, say 311,000,000 pounds, and the average price here was 6½ cents, making the product $20,000,000. The price of cloth then was 6*s.* 6¾*d.*, ($1·57½,) and that of iron about £10, ($48,) and the result was, that we could have, for nearly the same quantity of cotton, about 12,500,000 pieces of cloth, or about 420,000 tons of iron, delivered in Liverpool. Dividing the return between the two commodities, it stands thus:—

	Average from 1830 to 1835.	1845–6.	Loss.
Cloth, pieces,	9,250,000	6,250,000	3,000,000
And iron, tons,	550,000	210,000	340,000

The labour required for converting cotton into cloth had been greatly diminished, and yet the proportion retained by the manufacturers was greatly increased, as will now be shown:—

	Weight of Cotton used.	Weight of Cotton given to the planters.	Retained by the manufacturers.
1830 to 1835,	320,000,000	110,000,000	210,000,000
1845 and 1846,	311,000,000	74,000,000	237,000,000

In the first period, the planter would have had 34 per cent. of his cotton returned to him in the form of cloth, but in the second only 24 per cent. The grist miller gives the farmer from year to year a larger proportion of the product of his grain, and thus the latter has all the profit of every improvement. The cotton miller gives the planter from year to year a smaller portion of the cloth produced. The one miller comes daily nearer to the producer. The other goes daily farther from him, for with the increased product the cost of transportation is increased.

We may now inquire into the cause of the accumulation of stock in the English market, and if that can be ascertained, we shall be able to see why it is that cotton has fallen so ruinously low.

Of the crop of 1828–29, our own consumption was . . 118,000
Of those of 1832–33 and 1833–34, the average was . . 195,000
Of that of 1834–35, it was 216,000

having almost doubled in six years, and with a tendency to an increase in the ratio of advance; and this increase was attended by no diminution in our consumption of foreign cloth.

Of the crop of 1841–42, we consumed only . . . 268,000

with a great diminution in the consumption of foreign cloth.

Of that of 1847–48, ... 607,000

with a large increase in the consumption of foreign cloth, the total consumption having much more than doubled in a similar period of time. In the period intermediate between 1835 and 1843, our consumption had been stationary. Had it not been interfered with by the action of the Compromise bill, it would certainly have doubled in that period, and probably much more than doubled. If, however, we assume an increase of only 12½ per cent. per annum, or quadruple the increase of population, the following would have been the home demand:—

1835–6 . .	243,000 bales	1839–40 . .	388,000 bales
1836–7 . .	273,000 "	1840–41 . .	437,000 "
1837–8 . .	307,000 "	1841–42 . .	491,000 "
1838–9 . .	345,000 "	Total . .	2,484,000
The actual consumption was			1,844,000
Difference			640,000

The loss of demand to the planter was thus more than *the whole quantity* that was left unsold when the market broke down.

Following up the consumption to the present time at the same rate, we obtain the following results:—

1842–3 . .	552,000 bales	1846–7 . .	883,000 bales
1843–4 . .	621,000 "	1847–8 . .	994,000 "
1844–5 . .	680,000 "	1848–9 . .	1,019,090 "
1845–6 . .	785,000 "		5,550,000
The actual consumption has been about			3,000,000
Difference in seven years, ...			2,550,000
Total difference, ...			3,190,000

No one can doubt that the progress would have been greater than is here set down, and yet with no more than this, we should have used above 3,000,000 bales that we have not used. Had we done so, the producer of cotton would have fixed the price and not the buyer. Under such circumstances would it have fallen below ten or twelve cents per pound? Would it not, on the contrary, have risen to fourteen or fifteen, unless the crop had been much increased? I think it would, and I feel assured that it will do so in a very brief period from the thorough adoption of a system that will establish here such a market for labour as will enable us to consume on the land the products of the land, and my reasons for so believing are as follows:—

The good cotton lands of India are now waste. To render them productive requires labour and capital. To induce the application of either, the labourer must have wages and the owner of capital must have profits. Both must rise in price with any increased demand for them. Such demand must arise when England shall find herself compelled to look to India for any increased supply, as she must do so soon as our home demand shall have risen to the extent of 1,000,000 bales per annum, as it will do in the next three years, if permitted so to do.

It will be asked, what should we do with all this cloth? In reply, I say again, and I repeat it because it is essential that it be recollected—*every man is a consumer to the whole extent of his production, whatever that may be.* Had the tariff of 1828 remained unchanged, the production of coal in the same period would have reached 15,000,000 tons, for furnaces and rolling-mills would have been built throughout the country, and railroad bars would have been made by hundreds of thousands of tons, and treble the roads would have been made without producing bankruptcy. The demand for roads, and mills, and furnaces, and steam-engines of every description would have created a vast demand for labour that was wasted, and the surplus earnings would have gone to the purchase of clothing and other of the conveniences and comforts of life, and there would have been made a market on the land for the products of the land, to the extent of hundreds of millions of dollars, enabling both farmer and planter to improve the machinery of production and transportation, growing rich instead of remaining poor as they have done. With each such step the immigration from Europe would have increased, and as every man would at once have become a producer, every one would have been a consumer. The Englishman would consume twelve pounds, where before he consumed but four, and the Irishman would consume twelve where before he consumed but one, while freights to Europe would be so far reduced that the price of cotton in New York would be almost as high as in Liverpool.

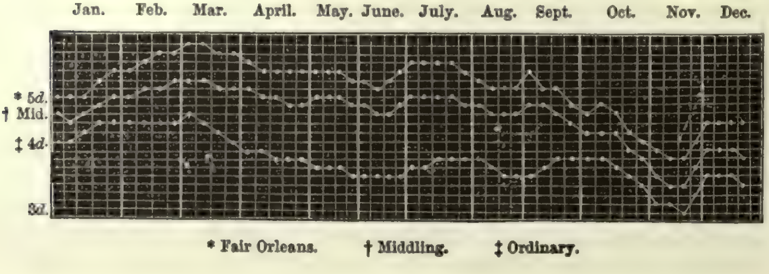
It will be observed that the quantity here set down for 1846–7 exceeds, by only one-third, that which we actually did consume. Had immigration continued to increase, from 1834 to the present time, at the rate at which it was then advancing, our population would be greater than it now is by 20 per cent., providing for nearly the whole quantity, without any allowance for increased consumption by the population previously existing. The whole of them would have needed large supplies of coffee, silk, and a thousand other things from abroad, for much of which we should have paid in cotton goods. The facility of obtaining iron would have given roads to the farmer and planter, and all would have had more of the proceeds of their labour to apply to the purchase of clothing. The planter himself, and his people, would now be consuming three yards where now they consume but one; and the home-market would now be absorbing 1,200,000 bales, instead of a million. What then would be the price of cotton, even with a crop of 3,000,000? Would it not be $60 a bale, yielding him 180 millions instead of 80? I think it would.

In 1845 and 1846, the planter supplied 311,000,000 of pounds, for which, *delivered on the sea-board*, he could have had 74,000,000 lbs. *delivered in Liverpool*, the freight and commissions, homeward, being paid by him. He gave 156,000,000 for 37,000,000, the charges upon which, without duty, would have reduced it to 30,000,000 on the plantation, and probably less. The 30,000,000 had, however, been twisted and woven, and the difference, *one hundred and twenty-six millions*, was what he gave for the twisting and weaving of *thirty millions*. The average work of operatives, men and women, boys and girls, exceeds the conversion of 3000 pounds of cotton into such cloth, per annum. The planter, then, gave 126,000,000 of pounds of cotton for the labour of 10,000 persons, chiefly boys and girls, and he transported 156,000,000 to market. Were he to calculate the cost of transportation from the plantation to Nashville, or other place of shipment, he would find that that alone was far more than the labour he obtained in return, and that he had in fact given the cotton itself away, receiving for it no equivalent whatever.

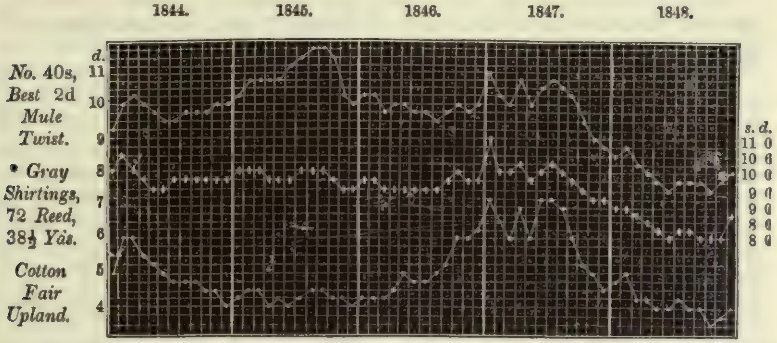
Had the whole 156,000,000 been converted at home into cloth, it would have amounted to about seven pounds additional, per head, for the people of the Union, and it would then have been consumed at home, for the consumption of the South would then have risen to a level with the present consumption of the North, and the latter would have largely increased, because of the great demand for labour that would have existed. Had that been done, the price of the whole crop would have been 8*d.* instead of 4½*d.*, and the planter would have received seven cents per pound, *additional*, on 900,000,000 of pounds, or *sixty-three millions of dollars*—and that, large a sum as it is, is but a part of the benefit that would have resulted from such a course of operation.

It will be said that high prices would arrest consumption. If so, how important it is to the producer to cut off the enormous charges of the host of persons that now intervene between himself and those who desire to consume his products. High prices, consequent upon the maintenance of the existing system, do arrest it, because they are a tax upon both producer and consumer. Such prices realized by the former, consequent upon an increased facility of exchanging with the latter, would produce a contrary effect. They would increase it; for we should obtain more from all the world for what we had to sell, and our own consumption would increase more rapidly. The increasing emigration to this country would raise the value of man abroad, and those whom we now see expelling him from their lands, burning his house that he may not return, would then find themselves compelled to offer him inducements to remain. Agriculture would then improve and wages would rise, and the power to consume cotton, on both sides of the Atlantic, would grow, to the infinite advantage of the planter. With the increased demand, he would at length find something like certainty in place of the present gambling system under which he is so often nearly ruined. How little certainty he now can have, will be seen by the following diagrams, which I take from the circular of Messrs. Rathbone, Brothers, & Co., before referred to.

Fluctuations in the price of Cotton, in 1848.



The following shows the variations, from 1844 to 1848, in the prices of cotton, twist, and cloth.



The highest and lowest lines show the comparative prices of yarn and cotton, the quotations being per. lb. on the left of the tables. The middle line shows the fluctuations of a cotton long cloth, the quotations being per piece, on the right of the tables.

Here we see the price of cotton lowest when cloth is at the highest; and the manufacturers realizing fortunes, while the planter is being ruined. Such are the inevitable results of a system that forces almost all the cotton of the world into a market in which there is but a given amount to be exchanged against it, and in which the price of each pound is dependent entirely upon the relation which the whole mass bears to the constantly diminishing sum that can be spared to pay for it. It is a constantly shrinking Procrustean bed. While thus destroying the planter, and lessening his power to provide for his people, there is an unceasing abuse of him as an owner of slaves, and an unceasing threat to substitute the *free* labour of the wretched Hindoo for that of the well-fed, well-clothed, and well-housed labourer of the South, and the lower the price of cotton, the stronger is the determination to keep it low. Railroads are to be made in India, that cotton may come to market cheaply, and cotton cloth go more freely to that country; and yet with every step of increase in the export of cotton goods, the poor Hindoo becomes more and more enslaved, and more and more the victim of famine and pestilence.

The difference between twelve cents and eight cents per pound for cotton is, on an average, about one cent a yard. The consumption of Great Britain and Ireland is about fifteen yards per head, while the average of that of her colonies is about three. It is absurd to suppose that this difference could make any essential difference in the consumption of an article of the first importance, under natural circumstances; but if it could, how immense would be the difference in our home consumption that would result from the adoption of a system that would enable the farmers of Tennessee and Ohio to exchange produce with the planter—food for cotton—giving acre for acre, instead of, as now, bushels for pounds—the difference being swallowed up in the transit of the food and the cotton to and from Liverpool and Manchester.

The harmony of interests, throughout every part of the Union, is perfect, and all that is needed is, that all should understand it. What injures the farmer injures the planter; and *vice versa*, the planter cannot suffer without injury to the farmer. Throughout the South, planters are abandoning cotton and substituting wheat, and that at a moment when the European market for food is to be closed against the hundreds of millions for which, *as it is asserted*, we now need a market.

As some may doubt the existence of this harmony, I propose now to show how the present course of action, as relates to food, tends to destroy the market for cotton.

The people of Germany and Russia, after feeding themselves, have food to sell. With the produce of that food they desire to buy cloth. The higher the price of the food they sell, the more cloth they can buy. The great food market, at present, is England. If we fill that market, the price of food will be low, and the German can buy little cotton. If we do not, it may be high, and he may buy much cotton. We are now converting labourers, miners, and mechanics into farmers, diminishing the consumers and increasing the producers. The more consumers we have, the less food we shall have to spare, the higher will be the price of food in England, and the greater will be the quantity of cotton that can be purchased by the German and the Russian. The more producers we have, the more food we shall have to sell, the lower will be its price, and the smaller will be the quantity of cotton that can be produced by the German and the Russian. All this seems to me so obviously true, that it needs only to be stated. It has been seen that the price of food is here maintained by a home demand resulting from the great immigration now taking place, and we know that if by causing a demand for labour for the building of furnaces and mills, and other similar works, we could cause the immigration to go next year to half a million, there would be a further demand for grain, that would carry prices to a point still higher. Let us now suppose the immigration of next year to be 600,000, producing a further increase of demand for food to the extent of twenty or thirty millions of dollars, and see what would be the effect upon the planter. The Canadian would find a market for his grain within the Union, for the price would be sufficiently high to enable him to pay the duty. The value of agricultural labour everywhere would rise with the increasing price of food; and every farmer, at home and abroad, would consume more cloth, because he could sell the products of his labour higher, *i. e.* he could obtain more cloth and iron for it. The German, the Russian, the Irishman and the Englishman would be larger customers than now, while the home demand would absorb enormous quantities that would otherwise go to England to augment "the stock on hand," by the size of which is measured the price to be paid for the ensuing crop.

Our present policy tends to destroy the home market and the foreign market too. It diminishes the productiveness of labour on both sides of the Atlantic, and all that is taken from the surplus that remains after feeding the labourer, is so much taken from the fund that would otherwise go to the purchase of cloth or iron.

THE TOBACCO PLANTER.

A brief examination of the tobacco trade will show precisely similar results. In 1822, we exported 83,000 hogsheads, and the price was $74 82, yielding about $6,200,000. In 1845, we exported 147,000 hogsheads, and the price was $50, yielding $7,350,000. Deducting the extra expense of transportation to the place of shipment, the producers received less for the large quantity than they had done for the small one. From 1830 to 1835, the export averaged 90,000, and the amount was $6,200,000, yielding to the producer, on his plantation, as much as the larger quantity in 1845. The sum of $6,200,000, at these two periods, would have brought in Liverpool:—

1830 to 1835, pieces of cloth, 3,300,000, or tons of iron, 200,000
1845, " " 3,900,000 " 130,000

The planter is giving almost two-thirds more of tobacco for twenty per cent. more cloth, although his brother planter is almost ruined by the low price of cotton; but in the case of iron it is worse, for he gives two-thirds ***more*** for thirty-five per cent. ***less***. In the first period, he could have two and one-fifth tons for a hogshead; whereas in the last he has little more than one-third of the quantity, or seven-eighths of a ton. It is obvious that he is being taxed by somebody, that he is giving more and receiving less, and that the cause of this is, that the productive power enabling the people outside of the Union to pay for tobacco, does not keep pace with the power of those inside of the Union to produce it. What is his remedy? It is to increase the number of people inside of the Union, with whom he can have perfect freedom of trade. The Englishman will consume six pounds for one that he can now consume, burdened as it is with a tax of 3*s.* per pound; the German will do the same; and so will the Frenchman, when he can free himself from the tax imposed upon him by the government monopoly. The more men that are imported, the more will be transferred from the list of small customers to that of large ones, and the less will be the cost of transportation from the place of production in Maryland or Virginia, Ohio or Kentucky, to the place of consumption, Philadelphia or New York, Berlin or Vienna; for the larger the bulk and value of the commodities transported west, the lower will be the charge for transportation eastward. Between the interests of the tobacco planter, the manufacturer, and the ship-owner, there is therefore perfect harmony.

THE SUGAR PLANTER.

The sugar trade presents the same state of things. The agriculturists of the world are giving a constantly increasing quantity of labour as the equivalent of a constantly diminishing one. The following exhibit of the movement of the great sugar market, since the commencement of the present century, shows that the amount paid for sugar has been constantly diminishing, while the price of the English commodities given in exchange has varied in a degree so much less that whereas in 1801 the consumption of $14\frac{9}{10}$ persons paid for a ton of iron, that of 24 was required in 1831, and the proportion has been steadily increasing. The whole sum paid in 1847 for this important article of food, by ***twenty-nine millions*** of people, was less than was paid in 1801 by sixteen millions, and the contribution per head was less than one-half, and yet the difference in the price of iron was, by comparison, trifling.*

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* The case is the same in regard to all other of the products of the land. In 1841 and 1842, the colonial timber received in Great Britain averaged 931,000 loads. In 1846 and 1847, the average was 1,150,000 loads. In 1848, 1,102,000 loads. The price, meanwhile, had, however, fallen almost ten per cent.,† and the colonist, after paying the extra freight, must have received less, in money, for the large than for the small quantity, while the price of iron had advanced fifty per cent. His timber would therefore yield him about forty per cent. less weight of iron to be employed in the further production of timber. The writer from whom I quote gives many other facts to show that the increased supplies have been obtained at "the same cost of labour," or that means have been found "for making our [their] own industry more productive."‡ It does not matter which, but of the two conditions he "prefers the former." The former is the one, and being such it is scarcely to be wondered that the poor and over-taxed colonists desire annexation.

† Edinburgh Review, July, 1849. ‡ Ibid.

	Population.	Quantity retained for consumption.—cwts.	Price per cwt.	Total value consumed.	Price per head.	Price of iron.	Number of persons fed with sugar in exchange for a ton of iron.
1801	16,338,000	3,639,000*	45/†	£8,188,000	10/2	£7 5‡	14·2
1811	18,500,000	3,818,000*	41/6†	£7,888,000	8/6	£8‡	18·8
1821	21,200,000	3,529,000*	34/†	£6,000,000	5/8	£6 10‡	23
1831	24,029,000	4,233,000	23/8†	£5,000,000	4/2	£5‡	24

I do not extend this table, for Mr. Tooke's list of prices does not come down to the end of the next decennial period, and I have no other that appears to correspond with it. Enough, however, is given to show that the people of the United Kingdom were steadily giving less iron for more sugar. In 1801 the planter could have 1,100,000 tons as the equivalent of 180,000 tons; but in 1831 he could have but a million of tons as the equivalent of 210,000. From that time to the present there has been an unceasing effort to cheapen sugar, and yet there were taken for consumption (including the large quantity exported after being refined) in the years 1845 to 1847, only 15,900,000 cwts., or an average of 5,300,000, being only 45 per cent. more than in 1801, while the population had increased 90 per cent. It is obvious that the power of consumption diminishes, and yet the prices of the world are fixed in England. The consequence of this is seen in the fact that 5,800,000 tons, in 1847, would command but £7,200,000, while 3,600,000 in 1801 would command about £8,200,000.

The return to labour employed in the cultivation of cotton has fallen so low that the Carolinian tries wheat, and the Mississippian sugar. Sugar falls so low that the West Indian turns his attention to coffee. By the time his trees have become productive, the price has so far fallen that he cuts them down, and then the price rises, while that of sugar falls.§ Thus is it ever and everywhere. The producers are over-ridden by the exchangers, and so must they continue to be while they shall continue to have the price of their whole crops determined by that which can be obtained for a small surplus in the constantly diminishing market of England.

The production of sugar does not vary greatly from a million of tons, and the yield to the planter may be about $70, the whole amount being about $70,000,000. Taking the cotton crop at $80,000,000, we have the sum of $150,000,000 as the value of the labour of that large portion of the population of the world employed in producing these two articles, so essential to the comfort of the rest of the world. The equivalent of this sum in 1845 and 1846 might have been (delivered on the plantation) about 2,500,000 tons of iron, the article that, of all others, is most essential to the maintenance, or the increase, of the productive power.

A ton of bar iron is not the equivalent of twenty-five days' labour, properly employed among the coal and iron fields of the Union, but even at that rate, one man would give more than twelve tons per annum. To produce the whole quantity required to pay for the cotton and sugar crops of the world would require, then, the labour of 200,000 men. Is it not obvious that the agriculturists of the world are taxed to a vast amount for the support of the fleets and armies, the merchants and brokers, the paupers and the noblemen of Great Britain, and is it not incumbent upon them to free themselves from such a state of vassalage? To *add* to the present annual production of the Union in the next seven years, ***the whole quantity*** of iron required to pay for the cotton and sugar crops of the world would require not the slightest effort, and so far would it be from diminishing the supply of food, or cotton, that the production of both would increase at a rate more rapid than was ever before known, for the farmer and the planter would thus obtain a market on the land for the products of the land, and good roads to go to distant markets, and the chief part of the time and labour now wasted in the work of transportation might be given to the work of cultivation. We should then import hundreds of thousands of men to make roads through the States already organized, instead of exporting hundreds of thousands to California, and then squandering our resources in the premature effort to make a road by which to communicate with them.

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* Porter's Progress of the Nation, Vol. III. page 32.

† Tooke's History of Prices, Vol. II. page 413. Mr. Tooke gives the various prices of the year. I have taken what appears to me to be the average.

‡ Ibid. p. 406.

§ From this cause it is that coffee is now scarce and high, and sugar abundant and cheap, the price of the latter in London being but about 24*s*. How much is left for the poor producer that has paid freight from Benares, far up the Ganges, and all the charges of all the persons through whose hands it has passed, may readily be imagined. Twenty pounds of sugar must be required to pay for one of cotton, in the form of coarse cloth.

It is time for the cotton planter to look this question fully in the face. Had he a market, he could in a brief period increase the crop to 5,000,000 of bales. Having no market, he is compelled to limit the cultivation, and thus it is that the product of such a region as South Alabama does not increase. In 1839 it yielded, bales, ... 551,000
From 1845 to the present time the average has been only 440.000[*]

The people who should be raising cotton, or making iron, are perpetually on the move, producing nothing. The picture presented in the following paragraph, taken from one of the papers of the day, is the one that meets our eyes look where we may:—

> "The tide of emigration continues to pour through our city southward and westward with increasing volume. The rush is tremendous. Throughout the day, from early dawn until late at night, long trains of wagons, families, and forces are seen moving through our streets. Both our ferries are kept in continual operation. Mr. Fairhurst, one of the proprietors of the lower ferry, has kept a memorandum of the movers crossing at that point during the last two weeks. In that time *three hundred and fifteen wagons* have crossed the river, of which number 214 were bound for Texas, 89 for the southern counties of our own State, and 12 for Louisiana. It is estimated that, counting whites and blacks, there are about five persons to each wagon. This would show that within the last fourteen days about fifteen hundred movers have passed this one ferry. We have no record of the number crossing at the upper ferry, but if it is as large as the lower, the number of movers passing through our city during the present month will be about *six thousand!*"—*Little Rock* (*Arkansas*) *Democrat, Nov.* 16.

Those men are flying from the rich and unoccupied soils of lower Carolina and South Alabama to the high lands of Arkansas and Texas, thus increasing their necessity for transportation, and diminishing their power to obtain it. Let them fly as they may, they cannot fly so fast as to prevent the increase of the cotton crop, the average of which must soon stand at 3,000,000 of bales; but where then shall the planter find a market? Among the sugar planters of the world? Like himself, they are ruined for want of a market. Among the coffee growers? Like himself, they are ruined for want of a market. Among the wheat growers? The Russian wastes his crop for want of a market, and the American is competing with him for the possession of that of England, while the Englishman is ruined by competition with both.[†] Is it among the operatives of England? They are endeavouring to underwork the Hindoo, and their power to purchase cotton or sugar diminishes daily. They need a market for their labour. Is it in France? France is always at war, and produces little. Her consumption of American cotton in 1842 and 1843 was 717,000 bales. In 1846 and 1847, only 575,000.*

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[*] De Bow's Commercial Review, Vol. VII. page 446.

[†] The following passage from one of the journals of the day, presents a tolerably correct view of the course of things in Great Britain. The producers are being ruined, and all are becoming consumers, and thus it is that Ireland, exclusively agricultural, furnishes a market for food. It is forgotten, however, that every diminution in the amount of pro-

Look where he may, he must see that the producers of the world want markets, and that for want of them they are becoming poorer instead of richer, and that their power to obtain even the machinery of production is daily diminishing, the price of iron in sugar, coffee, cotton, wheat, indigo, or any other of the products of the earth, tending steadily upward, and yet there is no single commodity in the world that would tend to fall so steadily, but for the existence of *the monopoly system.* The supply might be increased to an indefinite amount, and with a rapidity far exceeding that of any other of the products of the earth. Make a market for it requiring annually 10,000,000 of tons, and this country could supply it in ten years. Double or treble it, and we could supply the whole in reasonable time, for our capacity is without limit, and we could command the services of half the labourers of Europe. Here it is, *and here alone*, that the planter can look for a market capable of expanding itself in the ratio of the increase in his power to furnish supplies. Here, and here alone, can the market for coffee, silk, indigo, and all other of the products of the world be so far enlarged as to enable the coffee planter, and the cultivator of silk and indigo to quadruple their consumption of cotton.

CHAPTER ELEVENTH.

HOW PROTECTION AFFECTS THE LANDOWNER.

THE great saving fund is the land, and it is by the almost insensible contribution of labour that it acquires value. The first object of the poor cultivator of the thin soils is to obtain food and clothing for himself and his family. His leisure is given to the work of improvement. At one place he cuts a little drain, and at another he roots out a stump. At one moment he cuts fuel for his family, and thus clears his land, and at another digs

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duction diminishes the amount of commodities that can be given as the equivalent of the products of others, and that those who buy food have little to give for clothing, and must go in rags:—

"The prospect of an Irish demand for corn is improving, and also that the dependence of England, on foreign supplies, will gradually increase. The land monopoly of England, by adding the item of rent to be paid by the occupier and producer, made requisite a tax on the foreign article, which should protect him against the proprietary producers abroad, who had no rent to pay. The removal of this tax has now thrown directly upon the English farmer the whole burden of his rent, which was before borne by all consumers of bread. This burden will be enhanced, by the abrogation of the navigation laws, which, by diminishing freights, will make the competition between the cheap rentless lands of other countries, and the landlord-burdened soil of England, more severe, and, as a consequence, much of the poorer soils will be abandoned, while the expensive system of culture before resorted to, to increase the quantity of protected corn, must be relinquished as unprofitable. A considerable diminution in the product of a *good* English harvest, as compared with former years, may then freely be looked for. We have given above an official table of the quantity of food taken for consumption in England, for the year ending August, 1849. That was in aid of the harvest of 1848, which was "good," but the acreable product, from causes alluded, could not have been as large as usual. The result of this is, that the small farmers, with small crops at low prices, cannot meet tithes, taxes, poor rates, and rent, the last the most onerous; and their capital and numbers are annually diminishing, swelling the numbers of bread-consumers in other employments."

* Merchants' Magazine, Vol. XVII. page 762

a well to facilitate the watering of his cattle, and thus keep his manure in the stable-yard. He knows that the machine will feed him better the more perfectly he fashions it, and that there is always place for his time and his labour to be expended with advantage to himself.

The land was given to man for his use, and the basis of the whole science of political economy is to be found in the law which governs his relation with this great and only machine of production. Mr. Ricardo taught that in the infancy of society men could command rich soils, from which they could obtain an abundant supply of food; but that with the growth of population food became more scarce, producing a necessity for dispersion in quest of those rich soils. The common sense of mankind teaches the contrary, and in this case, as in all others, the common sense of the many is right, while the uncommon sense of the few is wrong, as will be seen by all who will take the trouble to follow out the following sketch* of the gradual occupation of the earth:—

"The first cultivator commences his operations on the hill-side. Below him are lands upon which have been carried, by force of water, the richer portions of those above, as well as the leaves of trees, and the fallen trees themselves; all of which have there, from time immemorial, rotted and become incorporated with the earth, and thus have been produced soils fitted to yield the largest returns to labour: yet for this reason are they inaccessible. Their character exhibits itself in the enormous trees with which they are covered, and in their power of retaining the water necessary to aid the process of decomposition; but the poor settler wants the power either to clear them of their timber, or to drain them of the superfluous moisture. He begins on the hill-side, but at the next step we find him descending the hill, and obtaining larger returns to labour. He has more food for himself, and he has now the means of feeding a horse or an ox. Aided by the manure that is thus yielded to him by the better lands, we see him next retracing his steps, improving the hill-side, and compelling it to yield a return double that which he at first obtained. With each step down the hill he obtains still larger reward for his labour, and at each he returns, with increased power, to the cultivation of the original poor soil. He has now horses and oxen, and while by their aid he extracts from the new soils the manure that had accumulated for ages, he has also carts and wagons to carry it up the hill: and at each step his reward is increased, while his labours are lessened. He goes back to the sand and raises the marl, with which he covers the surface; or he returns to the clay and sinks into the limestone, by aid of which he doubles its product. He is all the time making a machine which feeds him while he makes it, and which increases in its powers the more he takes from it. At first it was worthless. It has fed and clothed him for years, and now it has a large value, and those who might desire to use it would pay him a large rent.

"The earth is a great machine, given to man to be fashioned to his purpose. The more he fashions it the better it feeds him, because each step is but preparatory to a new one more productive than the last; requiring less labour and yielding larger return. The labour of clearing is great, yet the return is small. The earth is covered with stumps, and filled with roots. With each year the roots decay and the ground becomes enriched, while the labour of ploughing is diminished. At length the stumps disappear, and the return is doubled, while the labour is less by one-half than at first. To forward this process the owner has done nothing but crop the ground: nature having done the rest. The aid he thus obtains from her yields him as much food as in the outset was obtained by the labour of felling and destroying the trees. This, however, is not all. The surplus thus yielded has given him means for improving the poorer lands by furnishing manure with which to enrich them, and thus he has trebled his original return without further labour; for that which he saves in working the new soils suffices to carry the manure to the old ones. He is obtaining a daily increased power over the various treasures of the earth.

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* Originally published in my book, "The Past, the Present, and the Future."

"With every operation connected with the fashioning of the earth, the result is the same. The first step is, invariably, the most costly one, and the least productive. The first drain commences near the stream, where the labour is heaviest. It frees from water but a few acres. A little higher, the same quantity of labour, profiting by what has been already done, frees twice the number. Again the number is doubled, and now the most perfect system of thorough drainage may be established with less labour than was at first required for one of the most imperfect kind. To bring the lime into connection with the clay, upon fifty acres, is lighter labour than was the clearing of a single one, yet the process doubles the return for each acre of the fifty. The man who wants a little fuel for his own use, expends much labour in opening the neighbouring vein of coal. To enlarge this, so as to double the product, is a work of comparatively small labour; as is the next enlargement, by which he is enabled to use a drift wagon, giving him a return fifty times greater than was obtained when he used only his arms, or a wheelbarrow. To sink a shaft to the first vein below the surface, and erect a steam-engine, are expensive operations; but these once accomplished every future step becomes more productive, while less costly. To sink to the next vein below and to tunnel to another, are trifles in comparison with the first, yet each furnishes a return equally large. The first line of railroad runs by houses and towns occupied by one or two hundred thousand persons. Half a dozen little branches, costing together far less labour than the first, bring into connexion with it three hundred thousand, or perhaps half a million. The trade increases, and a second track, a third, or a fourth, may be required. The original one facilitates the passage of the materials and the removal of obstructions, and three new ones may now be made with less labour than was required for the first.

"All labour thus expended in fashioning the great machine, is but the prelude to the application of further labour with still increased returns. With each such application wages rise, and hence it is that portions of the machine, as it exists, invariably exchange, when brought to market, for far less labour than they have cost. The man who cultivated the thin soils was happy to obtain a hundred bushels for his year's work. With the progress of himself and his neighbour down the hill into the more fertile soils, wages have risen, and two hundred bushels are now required. His farm will yield a thousand bushels; but it requires the labour of four men, who must have two hundred bushels each, and the surplus is but two hundred bushels. At twenty years' purchase this gives a capital of four thousand bushels, or the equivalent of twenty years' wages; whereas it has cost, in the labour of himself, his sons, and his assistants, the equivalent of a hundred years of labour, or perhaps far more. During all this time, however, it has fed and clothed them all, and the farm has been produced by the insensible contributions made from year to year, unthought of and unfelt.

"It is now worth twenty years' wages, because its owner has for years taken from it a thousand bushels annually; but when it had lain for centuries accumulating wealth, it was worth nothing. Such is the case with the earth everywhere. The more that is taken from it, the more there is left. When the coal mines of England were untouched, they were valueless.

Now their value is almost countless; yet the land contains abundant supplies for thousands of years. Iron ore, a century since, was a drug, and leases were granted at almost nominal rents. Now, such leases are deemed equivalent to the possession of large fortunes, notwithstanding the great quantities that have been removed, although the amount of ore now known to exist is probably fifty times greater than it was then.

"*The earth is the sole producer.* Man fashions and exchanges. A part of his labour is applied to the fashioning of the great machine, and this produces changes that are permanent. The drain, once cut, remains a drain; and the limestone, once reduced to lime, never again becomes limestone. It passes into the food of man and animals, and ever after takes its part in the same round with the clay with which it has been incorporated. The iron rusts and gradually passes into soil, to take its part with the clay and the lime. That portion of his labour gives him wages while preparing the machine for greater future production. That other portion which he expends on fashioning and exchanging *the products* of the machine, produces temporary results, and gives him wages alone. Whatever tends, therefore, to diminish the quantity of labour necessary for the fashioning and exchanging of the products, tends to increase the quantity that may be given to increasing the amount of products, and to preparing the great machine; and thus, while increasing the present return to labour, preparing for a future further increase.

" The first poor cultivator obtains a hundred bushels for his year's wages. To pound this between two stones requires twenty days of labour, and the work is not half done. Had he a mill in the neighbourhood he would have better flour, and he would have almost his whole twenty days to bestow upon his land. He pulls up his grain. Had he a scythe, he would have more time for the preparation of the machine of production. He loses his axe, and it requires days of himself and his horse on the road, to obtain another. His machine loses the time and the manure, both of which would have been saved, had the axe-maker been at hand. The real advantage derived from the mill and the scythe, and from the proximity of the axe-maker, consists simply in the power which they afford him to devote his labour more and more to the preparation of the great machine of production, and such is the case with all the machinery of preparation and exchange. The plough enables him to do as much in one day as with a spade he could do in five. He saves four days for drainage. The steam-engine drains as much as without it could be drained by thousands of days of labour. He has more leisure to marl or lime his land. The more he can extract from his machine the greater is its value, because every thing he takes is, by the very act of taking it, fashioned to aid further production. The machine. therefore, improves by use; whereas spades, and ploughs, and steam-engines. and all other of the machines used by man, are but the various forms into which he fashions parts of the great original machine, to disappear in the act of being used; as much so as food, though not so rapidly. The earth is the great labour savings' bank, and the value to man of all other machines is in the direct ratio of their tendency to aid him in increasing his deposits in the only bank whose dividends are perpetually increasing, while its capital is perpetually doubling. That it may continue for ever so to do, all that it asks is that it shall receive back the refuse of its produce, the manure; and that it may do so, the consumer and the producer must take their places by each other. That done, every change that is effected becomes permanent, and tends to facilitate other and greater changes. The whole business of the farmer consists in making and improving soils, and the earth rewards him for his kindness by giving him more and more food the more attention he bestows upon her.

The solitary settler has to occupy the spots that, with his rude machinery, he *can* cultivate. Having neither horse nor cart, he carries home his crop upon his shoulders, as is now done in many parts of India. He carries a hide to the place of exchange, distant, perhaps, fifty miles, to obtain for it leather or shoes. Population increases, and roads are made. More fertile soils are cultivated. The store and the mill come nearer to him, and he obtains shoes and flour with the use of less machinery of exchange. He has more leisure for the preparation of his great machine, and the returns to labour increase. More people now obtain food from the same surface, and new places of exchange appear. The wool is, on the spot, converted into cloth, and he exchanges directly with the clothier. The saw-mill is at hand, and he exchanges with the sawyer. The tanner gives him leather for his hides, and the paper-maker gives him paper for his rags. With each of these changes he has more and more of both time and manure to devote to the preparation of the great food-making machine, and with each year the returns are larger. His *power to command* the use of the machinery of exchange increases, but his *necessity* therefor diminishes; for with each year there is an increasing tendency towards having the consumer placed side by side with the producer; and with each he can devote more and more of his time and mind to the business of fashioning the great instrument; and thus the increase of consuming population is essential to the progress of production.

"The loss from the use of machinery of exchange is in the ratio of the bulk of the article to be exchanged. Food stands first; fuel, next; stone for building, third; iron, fourth; cotton, fifth; and so on; diminishing until we come to laces and nutmegs. The raw material is that in the production of which the earth has most co-operated, and by the production of which the land is most improved; and the nearer the place of exchange or conversion can be brought to the place of production, the less is the loss in the process, and the greater the power of accumulating wealth for the production of further wealth.

"The man who raises food on his own land is building up the machine for doing so to more advantage in the following year. His neighbour, to whom it is *given*, on condition of sitting still, loses a year's work on his machine, and all he has gained is the pleasure of doing nothing. If he has employed himself and his horses and wagon in bringing it home, the same number of days that would have been required for raising it, he has misemployed his time, for his farm is unimproved. He has wasted labour and manure. As nobody, however, gives, it is obvious that the man who has a farm and obtains his food elsewhere, must pay for raising it, and pay also for transporting it; and that although he may have obtained as good wages in some other pursuit, his farm, instead of having been improved by a year's cultivation, is worse by a year's neglect; and that he is a poorer man than he would have been had he raised his own food.

"The article of next greatest bulk is fuel. While warming his house, he is clearing his land. He would lose by sitting idle, if his neighbour brought his fuel to him, and still more if he had to spend the same time in hauling it, because he would be wearing out his wagon and losing the manure. Were he to hire himself and his wagon to another for the same quantity of fuel he could have cut on his own property, he would be a loser, for his farm would be uncleared.

"If he take the stone from his own fields to build his house, he gains doubly. His house is built, and his land is cleared. If he sit still and let his neighbour bring him stone, he loses, for his fields remain unfit for cultivation. If he work equally hard for a neighbour, and receive the same apparent wages, he is a loser by the fact that he has yet to remove the stones, and until they shall be removed he cannot cultivate his land.

"With every improvement in the machinery of exchange there is a diminution in the proportion which that machinery bears to the mass of production, because of the extraordinary increase of product consequent upon the increased power of applying labour to building up the great machine. It is a matter of daily observation that the demand for horses and men increases as railroads drive them from the turnpikes, and the reason is, that the farmer's means of improving his land increase more rapidly than men and horses for his work. The man who has, thus far, sent to market his half-fed cattle, accompanied by horses and men to drive them, and wagons and horses loaded with hay or turnips with which to feed them on the road, and to fatten them when at market; now fattens them on the ground, and sends them by railroad ready for the slaughter-house. His use of the machinery of exchange is diminished nine-tenths. He keeps his men, his horses and his wagons, and the refuse of his hay or turnips, at home. The former are employed in ditching and draining, while the latter fertilizes the soil heretofore cultivated. His production doubles, and he accumulates rapidly, while the people around him have more to eat, more to spend in clothing, and accumulate more themselves. He wants labourers in the field, and they want clothes and houses. The shoemaker and the carpenter, finding that there exists a demand for their labour, now join the community, eating the food on the ground on which it is produced; and thus the machinery of exchange is improved, while the quantity required is diminished. The quantity of flour consumed on the spot induces the miller to come and eat his share, while preparing that of others. The labour of exchanging is diminished, and more is given to the land, and the lime is now turned up. *Tons* of turnips are obtained from the same surface that before gave *bushels* of rye. The quantity to be consumed increases faster than the population, and more mouths are needed on the spot, and next the woollen mill comes. The wool no longer requires wagons and horses, which now are turned to transporting coal, to enable the farmer to dispense with his woods, and to reduce to cultivation the fine soil that has, for centuries, produced nothing but timber. Production again increases, and the new wealth now takes the form of the cotton-mill; and, with every step in the progress, the farmer finds new demands on the great machine he has constructed, accompanied with increased power on his part to build it up higher and stronger, and to sink its foundations deeper. He now supplies beef and mutton, wheat, butter, eggs, poultry, cheese, and every other of the comforts and luxuries of life, for which the climate is suited; and from the same land which afforded, when his father or grandfather first commenced cultivation on the light soil of the hills, scarcely sufficient rye or barley to support life."

If we undertake to study anywhere the cause of value in land, it will be found to result from diminution in the cost of transportation. The newspapers of the day, in speaking of the operations of the railroad recently constructed from Springfield (Illinois) to the Illinois river, tell us that

> "One week before the railroad was finished, corn could be had here in any quantity, at 15 cents a bushel. Not a bushel can now," says the Saugamon Journal, "be had for less than 25 cents. This," it adds, "is the effect of the completion of the railroad on the price of one article of the products of our farmers."

The first thing to be paid by land is transportation. When that is so great as to eat up the whole proceeds, the land will remain uncultivated.

Diminish the cost of transportation so as to leave sufficient to pay the wages of labour, and it will be cultivated, but it will pay no rent. Diminish it further, so as to leave a surplus over and above the reward of the labourer, and the land itself will acquire value. Diminish it still further, by removing altogether the necessity for transportation, making a market on the land for all the products of the land, enabling the farmer readily to return to it all the refuse of its products, and it will acquire the highest value of which land is capable. The commodity of which the government and people of the Union have most to sell is land. In quantity it is practically unlimited, and long before our present territory shall have been even laid out for sale, vast countries will have been brought within the limits of the Union. In quality it is entitled to stand first in the world. The area of the coal region is 133,000 square miles. Iron ore is everywhere, untouched. Copper, zinc, and almost all other metals abound. South Carolina has millions of acres of the finest meadow-land unoccupied, and she has lime and iron ore in unlimited abundance. Virginia is in a similar condition, and yet people are leaving both, when population is all that is needed to place them in the first rank among the States of the Union in point of wealth. Of the three States of Alabama, Louisiana, and Mississippi, with advantages unrivalled for the production of the great clothing material of the world, two-thirds of their whole surface, or 83,000,000 of acres, yet remain unsold. The land at the command of the government counts by hundreds of millions, and to give to all this value we need only population.

In Europe, on the contrary, population is held to be superabundant. Marriage is regarded as a luxury, not to be indulged in, lest it should result in increase of numbers. "Every one," it is said, "has a right to live," but this being granted, it is added that "no one has a right to bring creatures into life to be supported by other people."* Poor laws are denounced, as tending to promote increase of population—as a machine for supporting those who do not work "out of the earnings of those who do."† No man, it is thought, has "a right" to claim to have a seat at the great table provided by the Creator for all mankind, or that "if he is willing to work he must be fed." Labour is held to be a mere "commodity," and if the labourer cannot sell it, he has no "right" but to starve—himself, his wife, and his children. "The particular tendency to error apparent in the prevalent social philosophy of the day," to which it is deemed necessary to direct special attention, is "the unsound, exaggerated, and somewhat maudlin tenderness with which it is now the fashion to regard paupers and criminals."‡ Such are the doctrines of the free-trade school of England, in which Political Economy is held to be limited to an examination of the laws which regulate the production of wealth, without reference to either morals or intellect. Under such teaching it is matter of small surprise that pauperism and crime increase at a rate so rapid.§

Throughout Europe, men are held in low esteem. They are considered to be surplus, and the sooner they can be expelled the better it will be for those who can afford to remain behind. To accomplish this object, Colonization Societies are formed, and Parliament is memorialized by men who desire to export their fellow-men by hundreds of thousands annually. Whig and Tory journals‖ unite in urging the necessity for expelling man from the land of Britain. Secretaries of State furnish ingenious calculations as to the amount required for accomplishing the work of expulsion. On all hands, it is agreed that men are too numerous, and that their numbers grow too fast, and yet there is not a country in Europe that can justly complain of over-population. Ireland, the type of this *free-trade* system, has millions of acres of her richest lands as yet untouched, that would alone, if drained, yield food in abundance for the whole population.

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* J. S. Mill's Principles of Political Economy.

† Edinburgh Review, October, 1849. ‡ Ibid.

§ See article on Transportation, Blackwood's Magazine, November, 1849.

‖ The number of Blackwood's Magazine, just received, advocates the application of £300,000 per annum to this object.

It is not, however, the labourer alone that stands in need of aid. The condition of the land-owner is little better. This system of universal discord is thus described in one of the journals of the day:

> "The state of the country is frightful. The assassinations are computed at more than ten per week, half a hundred per month, which, added to the systematic starvation of almost another hundred, in the same time, gives a state of things without parallel in modern civilization. With this diminution of the people, the million of work-house inmates and dependents increases. In less than a month it will be more than a proprietor's life is worth to be seen by his tenantry. Rents, which of course are nominal in collection, have, therefore, lately sunk to the fourth of their nominal amount. Lands, let hitherto at £2 10*s*. per acre, are offered at less than 15*s*; and such is the exasperation of the starving millions, that the landlords are afraid further to aggravate their sufferings."

The Parliament of England is now engaged in passing laws to transfer, for the fourth time in little more than two centuries, the mass of Irish property to English undertakers. The little cultivator of land has been ruined. Labour has become utterly valueless, although labour alone is needed to bring into cultivation 7,000,000 of acres of the richest soils in the world, now unproductive.

The land-owner of India has been ruined. The immense body of village proprietors that but half a century since existed in that country, helping and governing themselves, has disappeared.

The land-owner of the West Indies—of Demerara and Berbice—has been ruined, and the condition of the labourers has not been improved.

The land-owner of Portugal—the continental colony of Great Britain—has been ruined, and with diminished value of land there has been steady deterioration of civilization, until the name of Portugal has become almost synonymous with weakness and barbarism.

If we look to Canada, Nova Scotia, or New Brunswick, the same picture meets our view. "Land of the same quality, at one minute north of the imaginary line dividing the provinces from the Union, is worth less than half as much as that which is one minute south of it. Lord Durham, in his report, made but a few years since, says that "land in Vermont and New Hampshire, close to the line, is five dollars per acre, and in the adjoining British townships, only one dollar," and that on the northern side of the line, with superior fertility, it is "wholly unsaleable even at such low prices." Canada has no market on the land for the products of the land, and the cost of transportation eats up the product, much of which is absolutely wasted because it cannot go at all to market. The labour of men, women, and children, and that of wagons and horses, is everywhere being wasted, and therefore it is that the Canadian desires a change of government that will enable him to obtain a protective tariff. Give him that—annex him to the Union—and his land will acquire value similar to that of the Union. Farmers will then grow rich, and labourers will grow rich, and the power to consume cloth and iron will grow with the same rapidity with which it recently grew with us.

Every colony of England would gladly separate from her, feeling that connection with her is synonymous with deterioration of condition. Every one would gladly unite its fortunes with those of our Union, feeling that connection with us is synonymous with improvement. The reason for all this is, that the English system is based upon cheap labour, and tends to depress the many for the benefit of the few. In our system, it is the many who govern; and experience having taught them that prosperity and free trade with England are inconsistent with each other, we have "free trade" tariffs with protective duties of thirty per cent., and likely to be increased. The colonies are ruined by free trade, and they desire annexation, that they may have protection.

This idea of cheap labour is universal among English colonists. It is found in all their books. If they fail to succeed, it is because labour is "too high." They are willing to receive convicts, because they can be had "cheap." They tell their correspondents that men may be had from the Continent who will work for small wages, while Englishmen must have large ones, *i. e.* enough to feed and clothe themselves comfortably. They emancipate the negroes, and then they find their labour "too dear," and send to India, or to the coast of Africa, for "cheap" labourers. The *Times* informs us that the great works of England are based upon an ample supply of "cheap labour." The whole system looks to the degradation of the labourer, by requiring him to underwork and supplant the labourer of other countries, with all the disadvantage of distance and heavy cost of transportation. Protection looks to raising the value of labour, and thus promoting the annexation of individuals, and the establishment of perfect free trade between ourselves and the people of Europe by inducing them to transfer themselves to our shores. It is a bounty on the importation of the machine we need—man—to give value to the machine we have in such abundance—land. It leads to perfect free trade—the annexation of nations—by raising the value of man throughout the world.

It has been, at times, matter of surprise that the hundreds of thousands who have arrived in this country have been so instantly absorbed that their presence has been unfelt, and that the more we received, the larger was the quantity of food, fuel, cloth, and iron given in exchange for labour, but such is the natural result of a system which tends to enable the miner and the worker in iron, the spinner and the weaver, to combine their exertions with those of the farmer and planter. Had the policy of 1828 remained unchanged, and were we now receiving a million of men, the only effect that would be observed, would be that wages and profits, and the power of labourer, landowner, and capitalist, to command the good things of life would be steadily increasing, and with each step forward the tendency to immigration and to increase in the value of land would grow with accelerated pace. We need population.

In the thorough adoption of this course by the people of the Union, is to be found the remedy of the ills of both the land-owners and the labourers of the rest of the world, and the removal of the discords now so universal. That we may clearly see how it would contribute towards producing harmony, we must first inquire into the causes of discord.

The labourers of the world have one common interest, and that is that labour should become everywhere productive and valuable. The more wheat produced in return to a given quantity of labour, the more of it will the shoemaker obtain for his work, and the more advantageously the shoemaker can apply his labour, the more readily will the farmer provide himself and his family with shoes. Such, likewise, is the case with nations. It is to the interest of all that labour in all should become productive, and if the labour of the cotton-growing nation become unproductive, that of the sugar or wheat-growing nation feels the effect in an increased difficulty of obtaining clothing.

The land-owners of the world have one common interest, and that is, that land should everywhere become productive and valuable. It does so become with every increase in the skill and intelligence of the labourer, as may be seen by a comparison of times present with times past in every improving country, or by a comparison of the various countries of the world at the present moment. In Russia land itself has little value. In Belgium, where cultivation is carried on with intelligence elsewhere unknown, it has great value.

Every increase in the facility of obtaining cloth for food, or food for cotton, diminishes the quantity of labour to be given for food or clothing, and enables the producer to obtain other commodities and things needed for the improvement of his mind, or which tend to enable him more advantageously to apply his labour. The landed proprietor of England is therefore directly interested in the improvement of the mode of cultivating cotton in the United States, because it tends to improve the condition of the man who labours on his land ; and the cotton-grower is interested in the improvement of the wheat-grower of Russia, because the latter is thereby enabled to purchase more clothing.

Among the land-owners and labourers of the world there is, therefore, perfect harmony of interests. Between them stand the men employed in the work of transportation, conversion and exchange—ship-owners, manufacturers, and merchants.

The object had in view in the prohibition of manufactures in the colonies was that of compelling the colonists to use ships that they would not otherwise require, and to pay manufacturers and merchants for doing for them those things that they could have better done themselves. The necessary consequence of this was discord, which in our case led to war, and vast waste of time and money. Another consequence was, that the people engaged in the work of transportation, conversion, and exchange, increased more rapidly than the producers, and England, from having food to sell, became a purchaser of foreign food. Next came the corn-laws, by which the importation of food was to be prevented, for the benefit of land-owners, and other laws prohibiting the export of machinery, for the benefit of the owners of ships and machinery of various kinds. By the one the owners of land were enabled to tax the labourer and the mechanic, and by the other the mechanic was enabled to tax the world in return. The effect has been that of preventing the application of English labour and capital to the work of production, and driving it into the far less profitable work of transportation, conversion, and exchange, to such an extent that the converters have at length become masters of the land-owners, and have abolished restrictions on the import of food which the latter had established for their protection, and as revolutions never go backward, we may fairly conclude that the corn-laws will not be re-established. The result, thus far, has been to ruin the landholders of Ireland, and the next result must be to ruin those of England, if the system be allowed fair play.

The people of Russia, we are assured, have been compelled to waste food for want of a market. Rather than do this, they would give a bushel of wheat for a yard of cloth. That they cannot afford to do this, we are assured; but what else can they do? If they cannot make cloth they must buy it, and they must give an equivalent, and if that be even bushels for yards, they must give them. Until Russia can make a market for this now surplus food, it will seek a market at any price, and the price in England cannot much exceed the cost of transportation between the farm on which it was produced and the town at which it is consumed. Nearly the whole of that price must go to the exchanger, to the loss of both land and labour, both of which must tend towards the Russian level, now a very low one, because of the absence of a market on the land for the products of the land.

The object of the now dominant class in England is that of bringing about free trade with the world. Such a measure adopted by this country would close every furnace and rolling-mill, and every cotton and woollen factory in the country, and would diminish the value of both labour and land, by compelling the producer of food to seek a market in England. Similar measures adopted by the *Zoll-verein*, would compel the people of Germany to do the same, attended with similar results. The market of England would be borne down with the weight, and the price would fall so low as utterly to destroy the power of the labourer on land to pay rent for its use, and the power of the owner to improve it. The class intermediate between the producers in various parts of the world, would daily grow in numbers and strength, and the productiveness of labour and land would daily diminish, with steady diminution in the value of both.

On the other hand, let us suppose the people of the Union, of Russia, and of Germany, to adopt such measures as would enable them to consume on the land the whole of the food produced upon the land, and thus to put a stop to the enormous imports by which the English agriculturist is now being crushed. The immediate effect would be that the labour and land of all those countries would rise in value, and therewith there would be an increase in the value of both in England. The demand for labour here would speedily drain off the surplus hands employed in factory labour, and the increased demand for home-grown food would induce the application of labour and capital to production,* and the value of both would rise. Consumption would increase as labour became more productive, and the power of the producers would be restored, while that of the mere exchangers would be diminished.

To the improvement of the condition of labour and land in the United Kingdom the abolition of the colonial system is essential. Its maintenance involves the payment of taxes to an amount that is terrific, *all of which must be paid by the producers and those who own the machine of production, abroad or at home.* The tax that is nominally paid by the man who sells the wheat, or by him who transports it, is really paid by the man who produces it, and by him that consumes it. Three-fourths of the nation are engaged in the work of transporting, converting, or exchanging the products of others, adding nothing whatever to the quantity produced, while living out of it, and thus deteriorating the condition of the land-owners and labourers of England and of the world.

The land-owners of England have been the legislators of England. They made the system which produced our revolution—that which has depopulated India, and must ruin every country subjected to it—and they are now paying the penalty. Each step towards the degradation of the people by whom they were surrounded has been attended by loss of power in themselves. Their policy has converted the little occupant into the hired labourer, and the labourers on land into the tenants of lanes and alleys in Liverpool† and Manchester. Throughout much of Scotland they have substituted sheep for the men whom they have driven to take refuge in Glasgow, and with each such step they have weakened themselves, converting those who were their own support into the tools of those who live at the cost of both. The exchanger has set his foot upon their necks. *Commerce is King*. They are prostrate, and so they must remain until they shall have help from abroad. Their natural allies are the land-owners of the rest of the world. The East India Company, as the great land-owner of India, is greatly interested. That country is becoming daily less and less able to pay taxes, and the power so to do must diminish with the continuance of the system. Were the machinery now employed in converting cotton into cloth *for* India employed in making cloth *in* India, thus making a market on the land for its products, the culture of cotton would revive, the demand for food would increase, population would grow, and jungle would be cleared, and the Company might then obtain a constantly increasing rent from taxes constantly decreasing in their weight, paid by a people constantly improving in condition. The price of labour would rise, and the necessity for armies would diminish, and the Company might then, at no distant period, sell out its establishments to a people who would thereafter govern themselves.

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* At a recent meeting in London, Dr. Buckland asserted that the product of all the clay lands of England might be doubled by a moderate expenditure for drainage.

† The greatest crowding of population in a neighbourhood is in a district in Liverpool, England, containing a population of 8000 on 49,000 square yards of ground, being in the proportion of 657,963 to a square mile.

It is to the people of the United States, however, that they must chiefly look for help. Owners already of the chief part of North America, they are likely soon to own the whole. The *national*, not party or sectional, adoption of the protective policy would at once raise the value of land throughout the Union, because it would then be felt that a market would everywhere be made on the land for the products of the land. The British provinces would then speedily be incorporated into the Union, and the supply of food to British markets would cease; Cuba and Mexico would follow, and thus would be made a market for the population of all Southern Europe; and with each such step the value of labour would rise, followed by a necessity, on the part of the landholders everywhere, for an effort to retain their rent-payers, if they would preserve the value of their land. Spain and Italy would become manufacturers for themselves, and thus the colonial system would gradually pass out, and with it the power of the exchangers over the labourers and land-owners.

It is not by immigration alone that the population of the Union would be augmented, and increased value given to the land which so much abounds. The present system degrades the country to build up great cities, to become the resort of tens of thousands who would have remained at home among parents and friends, had furnaces, rolling-mills, cotton or woollen mills afforded them employment for time and mind. The same cause compels another portion to fly to the West; and while, in the one case, we have the poverty, vice, and disease of crowded cities, in the other we have those of scattered population; and men, women, and children starve in New York, while other men, women, and children perish of fevers incident to the occupation of new countries in advance of the arrangements that would have resulted from the more gradual extension of the area of settlement. It will be said that here is discord. If the city population did not grow, what would become of the owners of city lots? The harmony of interests is here, as everywhere else, perfect. Towns and cities would grow more rapidly than ever, but they would grow more healthfully, preserving a nearer relation to the population of the country, whose trade they desired to perform. New York would cease to be, as now, a great wen, absorbing all the profits of hundreds of thousands of the poor farmers, her customers, who give ten days' labour employed in raising corn for the labour of one day employed in producing British iron. The country and the city would grow together, and the jealousy of the country towards the city would speedily pass away.

The people of China constitute a world of themselves. They have little intercourse with the exterior world, nor is the example of Hindostan likely to produce any desire for its extension: certainly not, while they shall continue to recollect that their desire to prohibit the importation of opium involved them in a war that resulted in the destruction of cities and the ruin of hundreds of thousands of innocent people. The system of that country is directly the reverse of ours, in the fact that the government is in the hands of one, while here it is in the hands of all. In this, it labours under infinite disadvantage, yet the spectacle there presented of the results of combined action puts to shame our boasted civilization. A recent writer thus describes the condition of the people:—

> "The farms are small, each consisting of from one to four or five acres, indeed, every cottager has his own little tea garden, the produce of which supplies the wants of his family, and the surplus brings him in a few dollars, which are spent on the other necessaries of life. The same system is practised in every thing relating to Chinese agriculture. The cotton, silk, and rice farms, are generally all small, and managed upon the same plan. There are few sights more pleasing than a Chinese family in the interior engaged in gathering the tea-leaves, or, indeed, in any of their other agricultural pursuits. There is the old man, it may be the grandfather, or even the great-grandfather, patriarch-like directing his descendants, many of whom are in their youth and prime, while others are in their childhood, in the labours of the field. He stands in the midst of them, bowed down with age. But, to the honour of the Chinese as a nation, he is always looked up to by all with pride and affection, and his old age and gray hairs are honoured, revered and loved. When, after the labours of the day are over, they return to their humble and happy homes, their fare consists chiefly of rice, fish and vegetables, which they enjoy with great zest, and are happy and contented. I really believe there is no country in the world where the agricultural population are better off than they are in the north of China. Labour with them is pleasure, for its fruits are eaten by themselves, and the rod of the oppressor is unfelt and unknown."*

Let this be compared with the results of the system that has desolated Ireland and India, and that drives our people to Oregon and California, while men are everywhere, among ourselves, half-cultivating large farms, when they might obtain treble the result from half the surface, and let it then be determined which is the one that tends most to promote the prosperity and happiness of the labourer, and to improve the condition of the owner of land.

The policy of England tending to dispersion, she desires to facilitate the making of roads by which all the commodities of the world may be brought to her, thence to be returned to the places from whence they came, retaining so large a portion as to cause the destruction of the land and its owner. Lower India is utterly exhausted, and England desires railroads to more distant points, which will be then exhausted in their turn. From 1834 to 1840 she lent us iron to make roads in new countries, and we were ruined by dispersion. From 1843 to 1847, we filled up the spaces, the policy being that of concentration, and we grew rich. The present policy is that of dispersion. It is proposed to make a railroad to the Pacific, that men may scatter themselves more widely, although we now occupy a space that would be sufficient for almost the population of the world, if properly cultivated. The more roads we make in the now-settled States, the richer and stronger we shall grow, and the greater will be the value of land. The more roads we make in yet unsettled lands, the poorer and weaker we shall grow, and the less will be the value of land. It behooves the farmer, then, to look carefully to every scheme for promoting dispersion.

The value of labour and of capital is dependent on the quantity of both that can be given to the work of production. Every increase in the quan tity of either required to be given to the work of conversion and transportation, tends to diminish the value of all. Every diminution in the quantity tends to increase the value of all. The nearer the consumer and the producer can be brought together, the greater is the quantity of capital and labour that can be given to the work of production, the smaller is that which is required for transportation, and the more rapid is the advance in the value of both labour and land.

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* Fortune's Wanderings in China.

We are now separating the consumer from the producer, and the consequence is, that five per cent. stocks are at par, land is cheap, and wages are low. Were the tariff of 1842 re-enacted, interest would rise to six per cent. and labour would command a large return—the consequence of which would be a great increase in the consumption of food, and wool, and cotton, and the value of land would rise.

The annexation of a million of people, emigrants from Europe, to our community, establishes free trade with them. The annexation of the land and the people of Canada, and the other British possessions, would enlarge the domain of perfect free trade. So would that of Cuba, Mexico, Ireland, or even England,* and free trade thus established would be beneficial to all, the annexers and the annexed.

The people of the north would not object to the annexation of Canada, although such a measure could profit them but little. They and the Canadians are both sellers of food, and it is the superior value of wheat and flour on the south side of the line by which they are divided that induces the Canadians to desire to be brought within the Union. The people of the South would oppose the admission of Canada, although the effect of such a measure would be to convert the Canadians into large customers, instead of permitting them to remain small ones.† Once within the Union, the consumption of cotton in the British provinces would speedily rise from 20,000,000 of yards, weighing 5,000,000 of pounds, to 30,000,000 of pounds, and thus would the planter gain a market for 50,000 bales of cotton. The material interests of the South would be promoted by the annexation of Canada, yet would the South oppose the measure on the ground of supposed danger to political interests.

The South would advocate the admission of Cuba into the Union, although the effect of such a measure would, under existing circumstances, be that of ruining the cultivation of sugar, the only resource to which the planter now can look with hope—the only one that has enabled him to bear up under the late and present hopeless condition of the cotton culture. The man of the north would oppose the measure, although it would give him sugar at a cost far below the present one, and a market for grain and cloth that would absorb of both to a vast amount. Political interests are thus at variance with material ones. In both cases the discord is but apparent, while the harmony is real. The establishment of that real freedom of trade which results from the immigration of individuals, or from the annexation of communities, can never fail to be productive of benefit to all.

The cotton planter, as we have seen, now sells his product in the cheap-

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* Ireland and England are mentioned here only to show that the difficulty of having perfect free trade with them would be removed by the change in the value of labour that would result from change of their political system.

† Export to British North America in the first six months of

	1846.	1847.	1848.	1849.
Plain calicoes .	7,483,318	7,339,686	6,745,536	5,979,991
Printed " . .	8,483,163	6,497,845	4,589,811	5,701,857
	16,966.481	13,837,531	11,335,347	11,681,848

est market and buys his cloth and iron in the dearest one. He gives away the one, and is then unable to buy the other. By changing his system, and compelling the loom to come to the cotton, and the anvil to come to the food, he will sell his cotton and obtain his cloth and iron in exchange for labour that is now being wasted. He will then export cloth to all the world, and the necessity for resorting to the cultivation of sugar will cease. The people of the North will then consume all the sugar that Cuba can produce, and those of Cuba will require pounds of cotton where now they consume but ounces.*

CHAPTER THIRTEENTH.

HOW PROTECTION AFFECTS THE MANUFACTURER.

The shipowner stands between the producer of cotton and his customers, and the larger proportion the quantity to be transported bears to the number of ships to do the work, the higher will be freights. We might thence suppose that his interest would be promoted by the pursuance of a course that would compel the cotton to go to the loom, and that he would be injured by the adoption of one requiring the loom to come to the cotton. Directly the reverse, however, as we have seen, is the fact. The more the loom can be made to come to the cotton, the more valuable are the services of men, the greater the number of men to be imported, the larger the number of commodities that can be exported, and the larger the business for ships.

The manufacturer, in like manner, stands between the producer and the consumer of cotton, and the larger the quantity of cotton to be converted compared with the machinery of conversion, the larger will be his charge for the use of his machinery. It might, therefore, be supposed that he would be injured by the adoption of measures tending to place the loom in the cotton-fields of the South, or on the coal-fields of the West, but the reverse is the fact. The more people make coarse cloth in the South and West, the more will there be to require fine cloth and silks from the East, and the greater the demand for labour in the one, the greater will be the requisitions made upon the other for the skill they have already acquired, with a constant increase of wages, and equally constant increase in the power of consuming food, cloth, and iron. The more they can make their exchanges at home, with men whose labour is valuable, the larger will be the equivalent received for their own labour; and the more rapid the increase in the value of that of others, the greater will be the value of their own. Every measure tending to break down the monopoly of machinery tends to increase the value of man throughout the world, and none could have that effect to such an extent as would the transfer of the machinery of Lowell to the cotton-fields, to be replaced by other machinery of a higher order.

But, it will be said, "The people of the South need no further protection than they now have. They are satisfied with 30 per cent., and why, if they can go on to manufacture without any increase of duty, should they impose higher duties on fine cloths and silks, for the benefit of the North and East? We know that the latter cannot make fine muslins at the present rate of duty—nor can they manufacture silk goods in competition with France. The South will work up its cotton and make its own exchanges, leaving the duty as it stands, and then Lowell, Lawrence, and Providence must go down, for competition is impossible." Such are the views perpetually promulgated by journals whose editors profess great acquaintance with political economy, and whose speculations are received as authority by their readers. Nothing, however, could be less in accordance with the true interests of the planters.

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* The export from Great Britain to all the foreign West India Islands is but little over 20,000,000 of yards.

The larger the quantity of the machinery prepared for the conversion of cotton into cloth, the smaller will be the charge for its use. The planter requires to rid himself of a *monopoly* that limits the increase of that machinery, and compels him to give to the owners of the little that exists, whether English or American, a share of the product entirely disproportioned to its value as compared with that of the machinery required for producing his cotton. To break down one monopoly and establish another would not answer his purpose, and yet such would be the result at which he would arrive were he to pursue a course that would merely substitute Augusta for Lowell, or Graniteville for Lawrence. The man of the South would, and necessarily, do as he of the North now does, buy his cotton at the market price, *as fixed in England*, and sell his goods at the market price, *as fixed in England*, for until the quantity of machinery shall be so far increased as to prevent the accumulation of large stocks in England, the price must continue to be there fixed for the world; and so long as we shall continue to be *compelled* to go there for any portion of our supplies of cloth, the price of the whole will continue to be fixed by the cost of obtaining the last small portion. What the planter needs is that the price shall be fixed here, for both cotton and cloth, and that it may be so, he requires an *increase* of the quantity of machinery ready to do his work, and not the mere substitution of that of Southern men for that of Northern men.

How indispensably necessary it is that they should do so will be obvious from an examination of the diagram given at page 75. It is there shown how enormous are the charges of the manufacturers when the quantity for cotton requiring to be converted bears a large proportion to the machinery for converting it. In the following table are given,

First. The amount of the crop.

Second. The prices of cotton in Liverpool, by which those of the rest of the world are settled. The dates taken are March, 1844, July, 1845, May, 1846, and June, 1847.

Third. The price of best mule twist, No. 2 per pound, at the same periods of time.

Fourth. The price the whole crop, allowing twelve per cent. for waste, would yield, if converted into this description of yarn.

Fifth. The yield to the planter, supposing the whole crop so sold, from which are to be deducted all the freights, charges, &c., between his plantation and Liverpool.

Sixth. The amount retained by the manufacturer as his charge for converting cotton-wool into yarn.

Year.	Crop.	Price.	Price of twist.	Amount of twist.	Price of crop.	Charge for conversion.
1843–4	815,000,000	6*d.*	10¼*d.*	£31,000,000	£20,000,000	£11,000,000
1844–5	958,000,000	4	11¾	41,000,000	16,000,000	25,000,000
1845–6	840,000,000	4¾	9¾	30,000,000	16,500,000	13,500,000
1846–7	711,000,000	7	10½	27,500,000	20,700,000	6,800,000

If we deduct from the crop of 1846–7, the comparatively small sum required for the payment of freight, charges, &c., and from that of 1844–5, the large sum required for the same purposes, it will be seen how insignificant is the return to the planter for a large crop compared with what he receives for a small one.

In 1847, the manufacturer gave 7*d.* and sold at an advance of about fifty per cent.—*i. e.* he charged half as much for converting the wool into yarn as he paid for the wool itself. In 1845, when he paid 4*d.* he sold at nearly a shilling—*i. e.*, he charged twice as much for the work of twisting the wool as he paid for the wool. He was enabled to do this, because of two reasons:—First, the machinery of conversion was disproportioned to the quantity of cotton to be converted; and second, the market for cotton goods was extending itself, because the world was comparatively peaceful, and labour was being applied more productively than usual. The effect of the change that has since occurred will be seen from the following view of the operations of 1848.

	Crop.	Price.	Price of yarn.	Amount of yarn.	Amount of crop.	Charge for conversion.
1847–8	940,000,000	4*d.*	8*d.*	£28,000,000	£15,600,000	£12,400,000

The machinery had been increased, but the market was gone. Wars, revolutions, and threats of war and revolution, had destroyed it. The planter had 4*d.* per pound, of which a large portion was swallowed up in the cost of transportation; and the manufacturer obtained as much for twisting the wool into yarn as the planter received for raising, ginning and baling it, and for transporting it, first to the place of shipment, and thence to Liverpool, together with all the charges of the numerous persons through whose hands it passed on its way.

The planter needs machinery adequate to the conversion of his crop, and also a market for it when converted. The failure of either is equally fatal to him.

The first he cannot have under the monopoly system. It is one of mere gambling; and while a few make fortunes, the many are ruined. The distant few, already wealthy—the cotton-lords of England—are not the men to whom he must look to provide him with it. It is to himself, and the many like himself, at home. Fuel and iron ore abound in the South, and cotton fields furnish cheap sites for the erection of acres of factory, in which the product of thousands of acres of cotton could be converted by aid of the labour that is now wasted—the coal and the iron ore whose powers remain unused—the water powers that remain unimproved. By their aid, every pound of cotton now produced in the South, not required by Great Britain and others for their own immediate consumption, could be converted into yarn or cloth, and cheaply furnished to the world. The planter would then receive a yard of cloth for a pound and a half of cotton, instead of giving five pounds for one.

The difference between the price of the crop of cotton, *in Liverpool*, and the price of yarn, *also in Liverpool*, in 1844–5, would have exceeded a hundred millions of dollars, being twice the amount* that it would cost to place in the cotton fields of the South spindles for converting into yarn the whole crop that is now sent without the limits of the Union.

He would then have yarn or cloth to sell instead of cotton, and then his crop would speedily rise to five millions of bales, for the labour and manure now wasted on the road would go upon the land. Capital now absorbed by brokers, ship-owners, and distant manufacturers, would be applied to the making of railroads, the improvement of the machinery of cultivation, the diffusion of knowledge, and in a thousand other ways tending to render labour more productive. Where, however, is he to find a market for his products, thus increased?

Commerce is but an exchange of equivalents; and if the supply of iron, silk, coffee, tea, and other commodities required by the planter, do not keep pace with increase in the supply of cotton, he will be constantly giving more cotton for less iron or silk, and thus others will enjoy the whole advantage resulting from his increased exertion. That the advantage may, as justly it should, be his, it is necessary that the production of the commodities that he desires *to receive* in exchange go on to increase in a manner correspondent with that which he desires *to give.* If it does so, he gives labour for labour. If it does not, he gives more labour for less labour.

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* See Plough, Loom, and Anvil, No. XIX., page 421.

The question now arises: Can the production of the world, under the existing system, go on to increase in such a manner as to give to the planter a proper equivalent for his production? The answer is to be found in the fact, that it has already failed to do so, and that he is even now obliged to abandon cotton for wheat and sugar. How, then, can it be expected to do so in future? The average crop must speedily reach 3,000,000 of bales; and, when it shall have done so, his condition will be worse than at present. The production of the world does not increase correspondingly with our own; and until it can be made so to do, we must work at disadvantage, giving much labour for little labour.

With all its immense mass of rich and unimproved land, the United Kingdom produces little. It does not even feed itself. It has a little iron and coal to sell, but a demand for an extra hundred thousand tons of the former would greatly increase the price of the whole without producing any material increase in the demand for cotton; for the rich iron-master would be made richer, while the poor miner would remain as poor as now. Great Britain has scarcely any thing to sell but *services*—not products. To her we cannot look for a market.

Of the people of France, almost half a million of those most capable of working employ themselves in carrying muskets, and a large portion of the labour of the rest is employed in raising food for them and other non-producers, in making clothing for them to wear, and powder for them to burn They have, therefore, few products to sell, and, like Great Britain, they have little to offer in exchange but services.

The people of Italy and India raise some silk, but the chief part of both are otherwise occupied than in labours of production; and so are they like to be, and they cannot increase their product to keep pace with ours. Germany maintains large armies, and produces little to sell. So it is with Spain and Portugal. Mexico has a little silver and cochineal: but the quantity does not grow, nor is it likely so to do. Look where we may, the power of production is not only small, but incapable of increase under existing circumstances, and unless a change can be effected, we cannot find markets for the products of our constantly increasing population. What is the remedy? It is to bring the people to the place where *alone* their labour can be made productive, and thus establish perfect free trade with them.

Fifty thousand English miners and furnace men distributed among the coal and iron-ore fields of Pennsylvania, Ohio, Indiana, Tennessee and Alabama, would produce 600,000 tons of bar iron, to be exchanged with the farmer for his wheat, and the planter for his cotton, and the latter would then obtain a ton of the one for a bale of the other, instead of giving two or three for one. He could then make roads to go to market, and the labour of his people would become valuable, and they would consume five times the cloth they now consume, and thus would be made a double market for his cotton.

The same number of Italians would raise quadruple the silk we now consume, and they would be large consumers of food and cotton. Were the market for silk once made here, we should in a little time raise as much as all the world beside, and consume almost all we raised.

The planter and the farmer *must* make a market on the land for the products of the land, by bringing here the people they desire to employ in the production of the commodities they require to consume; or they *must* continue to give a continually increasing quantity of labour for a continually decreasing one. By adopting the first course, they would convert the consumers of one pound into consumers of twenty pounds, and the consumers of twenty pounds into consumers of forty pounds. By adopting the opposite policy—that now called free trade—they will convert consumers of twenty pounds into consumers of one.

Were it now known in Europe that such was the *fixed and unalterable policy of the nation*, the present year would see the transfer of population to the extent of half a million of persons, and of capital, in the form of machinery, to an incalculable extent; and once here, here they would stay, increasing at once, and immensely, the market for both food and cotton. Five years would scarcely elapse before it would reach a million; for with every year the power to obtain food, clothing, and the machinery for profitably applying labour, would increase, offering new inducements for the transfer of both labour and capital. With each year, the desire of our neighbours, north and south, to enter the Union would increase, and but few would elapse before it would embrace all North America, and a population of forty or fifty millions of people, themselves consuming far more than all the cotton we now raise. The Canadian, in the Union, would find his labours trebly profitable, for he would obtain treble the iron and cloth in return for less exertion. The mines of Nova Scotia and New Brunswick would give forth their treasures in return to the labour of men who now can consume but little food or clothing, but would then have power to consume much. The mines of Mexico would be made to yield three dollars where now they yield but one; and all would obtain silver, gold, iron, lead, cloth, and all other of the necessaries, comforts, and luxuries of life, at diminished cost of labour.

With each step of this progress there would be increased demand for the labour, both physical and mental, of the manufacturers of the North, for the demand for fine cloths and for silk would grow with the growth of the power to produce coarse cloth and iron; the demand for fine books would grow with the increase of school-books and newspapers; and the demand for cotton and woollen machinery would grow with the increase in the power to obtain railroad iron.

Between the manufacturer and the planter there is, therefore, perfect harmony of interest. All are alike interested in the exertion to shake off the load imposed upon them by the present monopoly of machinery; but of all the agriculturist is most interested. Its tendency is to reduce the power of production throughout the world, to diminish the power of consumption, and thus to destroy the customers of both planter and farmer. The tendency of protection is to raise the value of labour throughout the world, by increasing the estimation in which man is held abroad, and thereby to augment production and the power of consumption. With every increase in the tendency to fly from Europe, it would be felt more necessary to endeavour to keep the people at home. By that process, and that alone, will the labourer of the world be raised to a level with our own.

CHAPTER THIRTEENTH.

HOW PROTECTION AFFECTS THE CAPITALIST.

If protection be "a war upon labour and capital," it must tend, by lessening the productiveness of labour, to prevent its proper employment, and thus to diminish the power of accumulating wealth by the clearing, draining, and enclosing of lands, the building of houses, the construction of roads and bridges for facilitating transportation, and of machinery for converting the products of the earth into the form required to fit them for the use of man. If, on the contrary, it be really, as its name imports, protection to the labourer, then must it increase the power of accumulating wealth, to be used for increasing his productive power, and thus facilitating the accumulation of further wealth.

The great machine of production is the land. The more time and mind that can be given to its cultivation, the more rapid will be the increase of production, the larger will be the return to capital, and the more rapid the improvement in the condition of man.

The more time and mind that *must* be given to the preparation of machinery of transportation, the slower will be the increase of production, the smaller will be the return to capital, and the slower the improvement in the condition of man. The object of protection is that of bringing the consumer to take his place by the side of the producer; thus saving transportation, and facilitating the application of labour to production, while diminishing the number of persons among whom the produce is to be divided.

A furnace, capable of producing 5000 tons of iron per annum, may be put in motion at a cost of $30,000. These 5000 tons would exchange in Ohio for 150,000 bushels of wheat, the produce of 12,500 acres of land that has cost $40 dollars an acre, equal to $500,000, for the labour employed in clearing and draining it, in making fences, building barns, houses and doing all other things necessary to fit it for production. Let us suppose the furnace, houses for the men, preparation of the mines, &c. to have cost $100,000, and yet the capital employed is five to one, to obtain precisely the same return. This, however, is not all. The wheat weighs 4000 tons, and to transport this to New York and thence to Liverpool requires more capital in wagons and canal boats than would have been required to produce the iron at home; and far more capital employed in ships than would have done it; and thus we have a total of seven or eight, if not even ten times the capital that is needed, while the return is precisely the same—5000 tons of iron.

The capital invested in building the furnace, the houses, and in preparing the mines, would have been permanent, and it would have given value to every acre around, because it would have made a market on the land for the products of the land, whereas, the wagons, ships, and canal-boats disappear with time; and the land, constantly cropped, becomes exhausted, and is frequently abandoned by the owners, and thus is the whole wasted.

The farmer will say that he could have obtained no more iron on the spot for the produce of his land, that the iron-master paid him for his wheat and charged him for his iron according to the price in Liverpool, and that he profited as much by exchanging in the one place as in the other. This is too nearly true. So long as he is *compelled* to compete with the inferior labour of Europe, so long must he accept this as a consequence. So long as he is *dependent* on England for a market for a single million of bushels of wheat, she will fix the price of all that is produced; and so long as he is *dependent* on her for the last few thousand tons of iron, she will fix the price of all that is consumed. He needs to bring the home consumption of food up to the production, and the home production of iron up to the consumption, and the price of both will then be fixed at home. A little capital will then yield much iron. Now, much capital is required to produce little iron.

It has been shown (page 74,) that the whole of the cotton, 311,000,000 of pounds, consumed by the people of Great Britain and Ireland in 1845 and 1846, would have been paid for by 6,250,000 pieces of plain cottons, and 210,000 tons of iron, delivered in Liverpool. By the time this cloth and iron reached the plantation they would have shrunk into 5,000,000 pieces of cloth (120,000,000 of yards) and 160,000 tons of iron; and perhaps into a still smaller compass, even supposing them imported duty free. To have produced this 120,000,000 yards of cloth in those *two years* would have required 20 mills of moderate size, each capable of converting into cloth 2000 bales of cotton, and to have produced this iron would have required little more than two establishments, such as the one described at page 42, as existing in the Lehigh region of Pennsylvania.

To transport the 700,000 bales of cotton must have required 60 ships, each carrying 2000 bales, and making three voyages a year. Add to these, steamboats, warehouses, packing-machinery, &c., on this side of the Atlantic, and the docks, drays, warehouses, cars, railroads, &c. on the other side, and it will be found that the capital required for the work of transporting these 311,000,000, *after they had reached the place of shipment*, was three times more than would have furnished machinery that would have enabled the planter to convert the whole of them on the spot. *For all this the planter pays*, and therefore it is that we find him to have sent away 311,000,000 of pounds of cotton, to be exchanged in Liverpool for 74,000,000 of pounds in the form of cloth, and then to be reduced to 60,000,000 by the time they arrive on the plantation, thus giving five pounds of cotton for one yard of cloth. It is obvious that, even thus far, much capital is required to obtain small product.

Let us now see what was the amount employed by the planter in producing, at the place of shipment, the 250,000,000 of pounds that he gave in those two years to the people of England, for twisting and weaving the 60,000,000 that came back in the form of cloth. The annual average is 155,000,000 sent out, and 30,000,000 returned, 125,000,000 being lost on the road. The average product of cotton land is under 300 pounds an acre, at which rate 416,000 acres would be required for the production of the 125,000,000, saying nothing of the remainder of the various plantations not under cultivation. The average amount of labour, per acre, required to fit these lands for production, including fencing, houses, machinery, gin-houses, roads, &c., has not been less than one hundred days, and I should be safe in putting it much higher. Estimating those days at only 50 cents each, we obtain $50 as the actual expenditure required for each acre of land, at which rate the capital in land would be $20,800,000. Estimating the hands employed at no more than the land, we have a further sum of $20,800,000. Next, we have the capital employed in transportation to the place of shipment, and that some idea may be formed of that, I give the following statement, by one who furnishes it as the result of his personal observation:—

> "Of the expense of this first movement, some idea may be formed by those who have seen it coming over dreadful roads, up to the hub, dragged slowly along 20, 30, or 40 miles, as we have seen it coming into Natchez and Vicksburg, hauled by five yoke of oxen carrying 2800 to 3000 pounds, and so slowly that motion was scarcely perceptible. So many perish in the yoke in winter and spring that it has been said, with some exaggeration, that you might walk on dead oxen from Jackson to Vicksburg. That was before the railroad was made. A wagon is loaded up, say 14 miles from Natchez, and

started at night, and reaches there in time to get back the next night time enough to "load up." Thus ten oxen have been wearing and tearing and dropping their manure on the road for 24 hours to make one load."*

Here we have five yoke of oxen transporting 3000 pounds in a day, a distance of only fourteen miles. Supposing the average distance to be 75 miles, and the roads to be similar, it would take them, *on an average*, a week to transport that quantity from the plantation to the place of shipment. I will, however, suppose that a single yoke of oxen can transport four bales, or 1800 pounds, per week. The number of loads would be 70,000, to be transported in the shipping season, which averages about eight months. To do this would require, always on the road,

2300 wagons,	average cost $80,	$175,000
4400 oxen,	" " $40,	175,000
2200 men,	" " $600,	1,320,000
		1,670,000
Total capital,		$43,270,000

This is a very low estimate of the fixed labour, called capital, given to the production at the place of shipment of these 125,000,000 of pounds of cotton. Let us now see how much is the fixed capital, the use of which is given by the distant manufacturers in exchange for all this. A mill that will work up 2000 bales of cotton can readily be produced at a cost not exceeding $100,000. These 2000 bales contain 900,000 pounds of cotton. Thirty-four such mills would work up 30,000,000 of pounds, and the cost of all these mills would be $3,000,000, or about one-fifteenth of the capital employed by the planter. Need we wonder that the planter's capital yields him a small return?

The more directly power is applied, the more efficiently it is applied. The more machinery that intervenes, the less is the power and the smaller the effect. The planter obtains his cloth and iron by the indirect means of raising cotton and food to send abroad, whereas, if he would apply his power directly to the production of both, production would be doubled and his power of accumulation quadrupled. Had the planters of 1845 and '46, provided themselves with machinery for the conversion of cotton into cloth, to the extent of the 155,000,000 consumed in England, they would have seen furnaces rise among them capable of producing treble the iron they could have obtained for that cotton, and thus would have been made a market on the land for the products of the land, the result of which would have been that they would have obtained far more for the balance of their crop than they did obtain for the whole. The produce of those 155,000,000 would then have bought them iron sufficient to make many hundred miles of railroad, and thus, while diminishing their necessity for resorting to distant markets, they would have increased their power so to do, by increasing their capital. It will be said, however, that while the labour employed in producing the cotton is set down, there is no allowance for that required for its conversion into cloth. No such allowance is needed. The labour of men, women, and children, now absolutely wasted in *every county* of the South is more than would be required for five such mills, and the cotton that is lost for want of aid in harvest-time would twice over pay for it.

The whole of those 125,000,000 of pounds of cotton consumed by the people of Great Britain and Ireland was thus absolutely wasted, and therefore it was that the planter obtained one pound of cotton in exchange for five. Could the charges be saved that now intervene between the planter on one side, and the spinner and weaver on the other, he would obtain two pounds of cloth for three of cotton, and to acomplish this there is but one mode of proceeding, and that is *to persuade the machinery to come to the cotton*, and thus obviate the necessity for sending the cotton to the machinery. At present, we seem to be pursuing the same course that would be pursued by the man who should expend hundreds of thousands of days of labour in clearing and cultivating land for the production of wheat, and then wasting two-thirds of it on the road to and from the distant mill, for want of the application of three or four thousand days of labour to put up a mill on his own land. A grist-mill costing 5,000 days of labour will grind all the grain produced upon land that has cost 300,000, and perhaps 500,000, days of labour to place it in its existing condition; and yet the man above referred to, would waste on the road annually more days than would build such an one. So it is with our planters and farmers. We see in every little community that mills speedily rise for the conversion of grain into flour, and are satisfied with one-eighth toll; and so we see in every neighbourhood, where there are timber and a little water-power, saw-mills are got up for converting lumber into boards; and with each such operation, flour and boards are obtained at less cost of labour, and the farmer has to give less of wheat, and of timber, to have them converted into flour and boards. What would the wheat-grower say who should have to give five bushels for getting one back in flour*—and what should the cotton-grower say to getting back one bale of cotton in the form of cloth? Let him reflect on this question, and then answer the following one: Why should not every community of somewhat larger size have in like manner its own place for converting cotton into cloth? Could that be done, the planter would obtain half the cloth yielded by his cotton.

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* Skinner's Journal of Agriculture, Vol. III., p. 483.

The latter will at first view probably deny this. He will say: If I sell my cotton to go to Manchester, it will produce me five cents. If I sell it to the manufacturer on the ground, he will give me no more. If I buy English cloth, it will cost me ten. If I had a manufacturer on the ground, I should pay the same. Such must be the case so long as he shall find himself *compelled* to compete in the market of England with the poor Hindoo for the sale of his cotton, and compelled to purchase there, a part of his supply of cloth, for so long will the prices of both be fixed in Liverpool. With every step in the progress of emancipation, however, he would find himself a gainer. Let him look around and see how much of the labour of his neighbourhood and of his own plantation is wasted for want of the demand that would be produced by the vicinity of the factory; and then let him reflect upon the advantage to be derived from having, in that factory, a place of employment throughout the year, of the persons who might, in case of need, aid him in his picking, and thus save for him the labour that is now lost on cotton wasted in the field, or overtaken there by frost. Let him consider these things, and he will probably find that the loss in them alone is equal to the value of the labour required for the conversion of all the cotton of the neighbourhood into yarn. If they could be saved, and he could thus, with the same labour, send yarn to market instead of cotton, he and his neighbours would be great gainers by the operation.

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* "In some places in Virginia—in Rappahanock, for instance—the farmer does pay as much as one barrel to get four transported to Fredericksburgh, apparently not stopping to calculate at what price and what yield per acre that becomes a losing game, and apparently not reflecting, that while they pay 25 cents for transporting one dollar's worth of *wheat* they could transport the same weight, or fifteen dollars' worth of wool—or $7 50 of cheese, or $18 worth of live beef—at the same cost!"—*Ibid.*

Having done this, let him look to the price at which he sells his corn, and see what would be the difference to him if he had a market on the ground in consequence of the conversion of some of his neighbours into mechanics, mill operatives, &c. Instead of remaining poor on the produce of little pieces of land, they would obtain good wages, and consume double their present quantity, while producing none. He would at once save much of the cost of transportation. He would sell food at home instead of having to buy it, with cost of commissions and transportation from his own neighbourhood added to it to increase its price, at Manchester or Lowell, and all would be great gainers by the operation.

Let him then look to his cleared land, and study what would be its value if all the manure yielded by his hay, and oats, and corn, and fodder, went back upon the land, instead of being wasted on the road, and if all of that yielded by his wheat and corn remained upon the ground instead of going to Lowell or Manchester, and see if he would not be a gainer by the operation.

Let him then look to his uncleared land, and calculate how much it would cost him to destroy the timber. Let him then calculate the value of the timber, if the factory were near him, and if the blacksmith and the shoemaker, the hatter, and the tanner, the bricklayer and the carpenter, needed houses; and if a town were growing up around the mill, and its inhabitants wanting pork and meal, and milk, and beef, and flour, and potatoes, and mutton, and see if he would not be a gainer by the operation.

Let him look to the quantity of land upon which this timber stands, and on which he is paying, or losing, interest. Let him then look to the quality of that land, and compare it with that which he now cultivates. Let him calculate how many bushels of potatoes it would yield, and compare their value, when consumed upon the ground, with that of the 300 pounds of cotton now yielded by an acre, and see if he would not be a gainer by the operation.

Let him add all these things together, and see if he would not save all the freights and commissions; even although he obtained no more for his cotton, and paid as much for his cloth. Let him see if he would not obtain the full value of his cotton, instead of, as now, obtaining but one-third of it.

The great cities and towns of the world are built up out of the spoils of the farmer and planter. Looking around in New York, or in Philadelphia, or Boston, it is not possible to avoid being struck with the number of persons who live by merely exchanging—passing from the producer to the consumer—producing nothing themselves. Wagons and wagoners, carts and cartmen, boats and boatmen, ships and sailors, are everywhere carrying about cotton, and wool, and corn, and wheat, and flour, as if for the pleasure of doing it. The man of Tennessee sends his cotton to Manchester to be twisted. His corn goes along with it, to feed the man who twists it. It leaves him worth twenty cents. By the time it is consumed by the Manchester spinner, it is worth, perhaps a dollar. The labourer buys it at that price. The manufacturer gives him a dollar to pay for it, and he charges it to the cloth at $1 10. The corn and cotton become cloth, and the Tennessee man buys it back, paying *five bales for one!* He can sometimes send his corn, but he can never send his potatoes, and the reason why he cannot is, that they are of the class of commodities of which the earth yields so largely that they will not pay freight. The only things he can raise for market are those of which the earth yields little, and that will therefore pay freight. He raises three hundred pounds of cotton, all of which goes to market, bringing him back but sixty fashioned into cloth; returning nothing to the land of what it drew out of the land, whereas, if he had consumers near him, he would raise almost as many bushels of potatoes, the manure for which would go upon the land to enrich it, and make himself rich. He could then afford to clear, and ditch, and drain, and cultivate the richest land, now covered with timber, or with water.

Why does he not do these things? Why does he not convert the unprofitable consumers, everywhere around him, into profitable ones?* Why does he continue, year after year, to send his grain, or cotton, to the distant mill, instead of bringing, *once and for ever*, the mill to him? The reason may be found in the newspapers every day. Two years since, cotton manufacturers, wool manufacturers, and iron manufacturers were prosperous. Now they are all stopping work. Many are already ruined, and many more are likely so to be. Why is this? Does it arise out of any change in our own affairs? It does not. It arises out of changes abroad. Two years since, England made railroads, and consumption then was large. This year she does not make roads, and consumption is small. Two years since, we built factories and furnaces. This year, manufacturers and furnace-builders are ruined. All of them would be ruined, had they not a Tariff of protection, inadequate as is that of 1846, to give them that protection that is needed to secure them against such changes. Prosperous they would now be, had the tariff of 1842 remained unaltered; and the thousands employed in them would have remained profitable customers for the farmers, instead of being driven over the country to become the rivals of the farmer, increasing the quantity of provisions, of which there is already a redundance.

The capital employed in the transport of cotton is more than would build mills to convert the whole crop into cloth. The mill is saved labour. The transportation is labour lost, never to be regained. The mills once built, the whole of that labour might be applied to the work of production, for the lost labour of the hands upon the plantation, and of the "poor white people," everywhere throughout the South, is more than would be required for the work of conversion. Protection seeks to enable the planter to save this labour and accumulate capital.

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* The following picture of some of these unprofitable consumers is from a letter to the correspondent of "The New York Herald:"—

"I travelled yesterday over a public road twenty miles, and stopped at nearly every house. They were occupied by what are called 'the poor white people.' I found fifty log-houses on my route. You pass through a forest and come to cleared land. You see on one side of the road a field of corn, say five to ten acres; off a few rods back from the road, amid this corn stands a log cabin, the smoke curling up in blue wreaths even in these hot days. There is a wicket gate opening from the road, through which you pass and follow a footpath until you reach the entrance of the cabin. There is a stone for a step, and you enter. The woman is spinning. She asks you to a seat, which is made of hickory, both uprights and the seat. There are two or three more like it. In the corner of the room is a bed; the fire-place is very large, and the chimney is built of mud outside the hut. There are some nails for hats and clothes. There is a rifle on wooden pins; a shelf, with a few articles upon it, consisting of a broken comb, a Bible printed by the American Bible Society, and a case-knife. In a corner is a barrel. Look into it, and you will find a half bushel of corn meal inside, and over it, on a string, is a piece of bacon. There is a cupboard in the corner; open that, and perhaps you will find a cup and saucer and a plate, and perhaps you won't. This a picture from the life. You ask for the family—'My man is pulling fodder.' 'How many children have you?' 'Six;' and by and by you will see the whole half dozen flaxy-headed children peeping in through the crevices of the hut, for in the summer season, as there are no windows, the filling in between the logs is taken out for air. You wonder how people can live in such a one-room den. Yet they do live, and get on very well. They keep a cow sometimes, a few pigs to make ham and bacon, and they raise corn, wheat, and oats. The cabin is worth twenty dollars, if it was to be bought."

It is said to be "a war upon labour and capital;" but it would here certainly seem to be, what its name denotes, protection to the producer of food and wool against a system which compels him to give the use of fifteen dollars of capital in exchange for the use of one. Its object is that of promoting concentration. That of the system falsely called free-trade is to promote dispersion. The last twelve months have witnessed the expulsion of many thousands of men, and many millions of capital to California, not one-tenth of which will ever return. One of the papers of the day states that

> "Considerable excitement has been created here (New York) among those who have made shipments of merchandise to California, by the receipt of letters from commission houses in San Francisco, containing account of sales. It appears that the charges have, in several instances, used up entirely the proceeds of the sales. We hear it stated in dry-good circles, that one of our largest auction-houses sent out over two hundred thousand dollars' worth of dry-goods last winter, for which, up to this time, they have received no proceeds."

Hundreds of ships are now in the Pacific, doing nothing and earning nothing, when they might be carrying cotton, and we are now building other ships to replace them. The capital now invested in those ships and in California would have built mills for the conversion of half the cotton of the South, and furnaces for the production of as much iron as is produced in Great Britain. For all this waste of capital the farmer and planter pay, for the harmony of interests is so perfect that the losses of the ship-owner and manufacturer are invariably borne, in largest proportion, by them.*

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* The following estimate of the quantity of labour and capital *lost by ourselves* and wasted in California, is from the New York Herald, and is not far from the truth:—

"It is estimated that about 500 vessels had, up to the 1st of November, arrived at San Francisco, from the United States and Europe, and that at least 100,000 people were, at that time, in California. The average cost of outfit for each person cannot be less than $200, which makes an aggregate of $20,000,000. It will cost an average of at least $300 per annum for each to live. This amounts to $30,000,000. This makes a total of $50,000,000, for the bare outfit and provisions for one year. The 500 vessels which had arrived, at the latest date, and the 500 on the way, are worth, on an average, about $10,000 each, which amounts to $10,000,000. The time of each individual we estimate to be worth, on an average, $200—total, $20,000,000. Grand total of outfit, cost of living one year, cost of vessels engaged in the trade, and value of time one year, $80,000,000. This is a moderate calculation, as the actual outlay and absorption of capital, up to this time, will probably amount to full $100,000,000. As an offset to this we have thus far received about six millions of dollars ($6,000,000) in gold dust, from California and the whole Pacific coast. It will be perceived that there is still an enormous balance against California, and that it will be a long time, at the rate already realized, before we shall receive even the sum expended, to say nothing about profits. It is our impression that most of those engaged in the trade would be satisfied with merely the cost of their shipments. Most of them have abandoned all idea of profits, and many of them will never realize a cent: the charges, such as freight, storage, &c., will eat up every mill of first cost. The only product of California, to pay for this immense amount of property, is gold. At present it has no other resource, and we know of none but its minerals. It is now a little more than twelve months since the emigration to California commenced, and there has never been known, in the history of the world, such a movement as has been presented in this. Independent of the hundreds of vessels which have departed from all parts of the world for California, we have nearly a dozen of the finest steamships in the world, regularly employed in carrying passengers and the mail between this port and San Francisco, via Chagres and Panama. Several large steamers are now on the way round, to take their place in the line from Panama to San Francisco, and in a short time we shall have two or three more on the line between this city and Chagres."

The landowners of the world are the great capitalists. The exchangers are the small ones, and yet they and their machinery absorb the chief part of the products of the land, which therefore yields but small return to the labour employed in its preparation for production. Almost everywhere throughout this country it is of small value, rarely exceeding the cost of fencing and buildings. That it may be otherwise, and that landowners may grow rich, it is required that they bring the loom to the cotton, and the anvil to the food, instead of sending the mass of cotton and food, year after year, in search of the loom and the anvil.

How rapidly their capital is capable of accumulating is a lesson that the mass of the farmers and planters of the Union have yet to learn. The first settlement of land involves a large amount of labour; but here, as in many other cases, it is the first step that is the most costly. The land cleared, the farm enclosed, the house built, and the road made, the cost of transportation still absorbs so large a portion of the product that the whole has little value. The making of a railroad doubles it, but the quantity of cloth or iron that can be obtained for wheat or cotton is yet so small that the land has still but little value. To bring the furnace or the cotton mill to the spot, and thus to make a market on the land for the products of the land, requires an amount of labour that is absolutely insignificant compared with the amount already expended, and yet it doubles the value of all around. The sole cause of the difference in the value of land anywhere—quality being equal—is to be found in the proximity to, or distance from, market.

Let us now suppose that during the last twenty years we had annually appropriated a small part of the labour that has been wasted on the road, and a small portion of the food and cotton that have been lost in distant markets, to the building of furnaces and the erection of cotton mills, and that the Southern States now possessed a hundred of the former, each capable of producing 5000 tons of iron, and rolling mills to convert it into bars, and the latter capable of converting into cloth 500,000 bales of cotton, and that the spare labour of their hands had been employed in grading roads upon which they had been for years laying the bars produced in their own furnaces and mills, and see what would be the result. Throughout the whole South there would have been a market at hand for a large portion of their products, while every part would be enjoying facilities for transporting its surplus food or cotton to distant markets at one-fifth of the present cost, and thus the land of every part would have been acquiring value, to an extent almost incalculable. The planting States have 400,000,000 of acres, and the addition of ten dollars an acre to the present value would amount to four thousand millions of dollars, while the cost of building furnaces, rolling-mills, and all other of the machinery necessary to have covered those States with roads, and filled them with machinery to enable them to convert into cloth as much cotton as would free them from all *dependence* on the movements of distant markets, making them independent, would not have been fifty millions, and yet, large as it may seem, the return would have been an augmentation of capital counting by thousands of millions.

An addition of one dollar an acre in the annual value, or rent, of a plantation, would add more than ten dollars an acre to its value. The farmer now sends his corn to market and brings back twenty cents, yet the consumer pays fifty. He brings back iron that costs him 300 bushels per ton, yet the producer of that iron obtains but 25. Had the iron and cotton manufactures been allowed to develope themselves throughout Virginia, Tennessee, Alabama, and other of the Southern States, 60 bushels of corn, or half a bale of cotton, would this day pay for a ton of iron, and if that were the case, what would now be the value of land? Would it not be greater than at present by more than twenty dollars an acre? If so, would not that amount to eight thousand millions of dollars? It is almost inconceivable how trivial is the amount of capital required to double, treble, or quadruple the value of land, after the first and most expensive process, that of the first occupation, has been performed.

Let us now look to the state of things in England. The great field of employment for capital is the land. The number of acres in the United Kingdom is sixty-four millions. An expenditure of labour to the extent of only twenty shillings per acre would absorb the enormous sum of three hundred millions of dollars, and an average of three guineas per acre would absorb one thousand millions; whereas the whole capital employed in the cotton manufacture is but thirty-four millions of pounds,* or about one hundred and sixty millions of dollars, and that invested in shipping is but little more. Now, if we suppose one-half of the cotton machinery to be for the domestic trade, and the other half for the foreign, and one-half of the navigation to be for home purposes, including the procuring of tea, coffee, sugar, silk, &c., for the home market—and the other half to be for other purposes, the result will be that the market for capital provided by the foreign trade is but one-sixth of what would be required for agriculture, at only three pounds per acre. If we take the average duration of ships and machinery to be ten years, we have an annual demand by the foreign trade for three millions only, being equal to less than one shilling per acre annually invested in the improvement of land. No one who is familiar with the condition of Irish agriculture, and of a large portion of that of England and Scotland, can doubt that the expenditure of twenty times that amount in the gradual improvement of cultivation, and in the improvement of communications would be attended with a large return. Land, however, is everywhere centralized in the hands of great owners, and cultivated by great farmers; and the consequence is, that capital does not find employment in its improvement, and has to seek a vent in manufactures and commerce, which, together, afford a field so small, that competition is great and the rate of profit is very low.

The savings of Ireland are forced into England, because of the absence of all modes of local investment. From 1821 to 1833, no less than ten millions of pounds were thus transferred; and later statements show that the course of events from that time to the present has been nearly the same.

Of the deposits in the Scottish banks, a large portion is habitually invested in the funds; and thus, local investment being prevented, there is a constant pressure upon the centre, which deprives the capitalists, great and small, of remuneration.

The natural consequence of this absence of facilities for applying capital at the places at which it is owned, is the accumulation of large quantities in London, for which a market is to be sought at low rates of interest. Foreigners are then invited to borrow money—that is to say, to buy cloth and iron on credit—and then when by this process the unemployed capital has been scattered to different parts of the earth, there comes a crisis, and the debts are called in, with bankruptcy to the debtors of England, and wide-spread ruin among the merchants of England. Such is the history of the period from 1835 to 1842, ending in bankruptcy and repudiation. Such is the history, so far, of the tariff of '46. We have bought from thirty to forty millions of dollars of goods on credit, and the day of payment must come.

By a succession of operations of this kind all the customers of England had been ruined, and there remained, in 1842, no foreign country that could be trusted. Capital appeared superabundant. Interest was very low, and there appeared no prospect of improvement. Every thing was prepared for a great home speculation, and the railroad soon became the hobby of the day. It was a great lottery, in which peers and paupers, bankers and half-pay officers, clergymen and pickpockets, bought tickets, all certain of drawing prizes. Five thousand miles of road have been made, at a nominal cost of £148,000,000,[*] but the larger portion of this vast sum has been merely a transfer from the pocket of one gambler into that of another, as may be seen from the following statement. The mere Parliamentary expenses[†] of the

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* McCulloch's Statistics, Vol. I. p. 78.

Blackwall railway amounted to, ...	*per mile*,	$70,000
Those of the Manchester and Birmingham to . .	"	25,000
And those of the Eastern Counties' road to . .	"	23,000
The amount allowed for land by the Manchester and Birmingham, was	"	80,000
Eastern counties	"	75,000

In this manner, the cost of the works executed was swelled to $250,000, $300,000, $400,000, and in one case to $1,400,000 per mile, the consequence of which has been that while the designing few have been enriched, the many have been ruined, and England is covered with the wrecks of this disastrous speculation, which owed its existence to the fact that the whole policy of the country tended to force capital into commerce and manufactures, which afford the smallest field for its employment, and to drive it from agriculture, the only one that affords a field constantly enlarging, and in which an almost unlimited amount of labour and capital might be employed at a constantly increasing rate of return.

The manner in which the system operates upon the moneyed capitalist here is now to be examined. In 1835, as we have seen, the natural outlets for capital were closed. We ceased to build mills, furnaces, or rolling-mills, and the building of ships and houses was diminished. The necessary consequence of this blocking up of capital was, that the price of dividend-paying stocks rose, and this produced a desire to create new stocks with the then idle capital. Roads and canals were commenced at the west and south-west, banks were created, and the capitalist was led to believe that he was to obtain ten or fifteen per cent. per annum for the use of the means that he thus placed under the control of strangers. The day of settlement, however, arrived. England claimed payment for the cloth and iron; but the means by which she might have been paid were scattered to the four winds of heaven, invested in unproductive roads, and in banks that were ruined by the failure of their debtors; and *thus were wasted as many millions as would have built furnaces to produce quadruple the iron we ever yet have used, and converted into cloth all of the cotton we then produced.* The mass of smaller capitalists were ruined, but the few were made rich.

We are now moving in the same direction. Money is said to be cheap; that is, there is much in bank at the credit of depositors, for which they are receiving no interest. The papers of the day informs us that Western city stocks and bonds are coming into demand; and here we have the beginning of a movement similar to that of 1836. In a little time it will be judged expedient to create banks at a distance, and then a little while and England will claim payment for the cloth and iron we are now buying on credit, and then will be re-enacted the scenes of 1842.

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[*] Herapath's Railway Journal, quoted in North British Review, August, 1849.

[†] The Parliamentary expenses of 1845, '6, and '7, were upwards of £10,000,000, or $50,000,000.—*Ibid.*

If we desire to know who are the persons from whom is derived the power thus to derange the movements of the world, it is needed only to look at the prices of cotton and yarn between the periods of 1844 and 1848, as shown in a former chapter. The farmers and planters of the world first give away their products, then borrow a part of them in the forms of cloth and iron, and when ruined by the operation are denounced as bankrupts and swindlers.

The well-understood interests of the capitalists of all nations are in perfect harmony with each other. Whatever tends to diminish production in one, tends to diminish the return to capital in all. The British system is "a war upon the labour and capital of the world;" upon her own as well as that of other nations. Its effect is to keep the return to the capitalist at a very low point, and often to deprive him altogether of return, and all because it tends to compel the labourer to underwork the Hindoo and the Russian, and to sink him to their level. Therefore it is that labourers and capitalists of other nations are forced to resort to measures of protection. The immediate effect of the adoption of efficient and complete protection, as a national measure, would be the transfer to this country of an immense body of capital in the form of machinery, followed by a gradual rise in the rate of profit abroad, which would tend to attain a level with our own. *That* capital, once here, could not be reclaimed. Like the men we import, it would stay, and the effect that would follow necessarily from its transfer would be an increased import of men—of all, the most valuable species of capital, though now, in Europe, the most despised.

To attain perfect freedom of trade, we need to raise the labourers and capitalists of Europe to a level with our own. The colonial system tends to depress and destroy both.

CHAPTER FIFTEENTH.

HOW PROTECTION AFFECTS THE LABOURER.

WHENEVER there is in market a surplus of any commodity, whether that surplus be the effect of natural or artificial causes, the price of the whole tends to fall to that at which the last portion can be sold—and whenever there is a deficiency, the price of the whole tends to rise to that point at which the last portion that is needed can be obtained. Labour is a commodity, the owners of which seek to exchange with other persons, giving it in the form of sugar or cotton, and receiving it in the form of cloth and iron, and, being such, it is subject to the same laws as all other commodities. So long as there shall be a surplus of it anywhere, the price everywhere tends to fall to the lowest level. With the diminution of the surplus anywhere, the price everywhere will tend to rise to a level with the highest.

Mere labour, unaided by machinery, can effect little. The man who has no axe cannot fell a tree, nor can he who has no spade dig the earth. The man who has no reaping-hook must pull up the grain, and he who has no horse or cart must transport his load upon his back. Such is the condition of the people of India, and such, nearly, is that of the people of Ireland. Labour is consequently unproductive, and its price is low.

To render labour productive, men require machinery, which is of three kinds, to wit: First, Machinery of *production*, consisting of lands that are cleared, drained, and otherwise fitted for the work of cultivation. Second, Machinery of *conversion*, as saw-mills, which convert logs into planks and boards; grist-mills, which convert wheat into flour; cotton and woollen-mills, which convert wool into cloth; and furnaces, which convert lime, fuel, and ore into iron. Third, Machinery of *transportation*, by aid of which the man who raises food is enabled to place it where he can exchange it with the one who makes cloth or iron.

The two latter descriptions make no addition to the quantity of food or wool that is to be consumed. The wheat or cotton that goes into the mill comes out flour or cloth. The barrel of flour that goes into the ship comes out a barrel of flour, neither more nor less, and it will feed no more people when it comes out than when it went in.

The bushel of wheat that is sown comes out of the earth six, eight, or ten bushels, and the bushel of potatoes comes out twenty or thirty bushels. They have been placed in the machine of production, while the others have been placed in the machines of conversion or transportation.

The more labour that can be applied to the machine of production, the larger will be the supply of food and wool, and the larger will be the quantity of both that will be deemed the equivalent of a day's labour.

The nearer the place of conversion can be brought to the place of production, the less will be the necessity for transportation, the more steady will be the demand for labour throughout the year, the larger will be the quantity that may be given to the work of production, the better will the labourer be fed and clothed, and the more rapid will be the accumulation of wealth in the form of machinery to be used in the further increase of production.

Wealth tends to grow more rapidly than population, because better soils are brought into cultivation; and it does grow more rapidly whenever people abandon swords and muskets and take to spades and ploughs. Every increase in the ratio of wealth to population is attended with an increase in the power of the labourer as compared with that of landed or other capital. We all see that when ships are more abundant than passengers, the price of passage is low—and that when, on the contrary, passengers are more abundant than ships, the price is high. When ploughs and horses are more plenty than ploughmen, the latter fix the wages, but when ploughmen are more abundant than ploughs, the owners of the latter determine the distribution of the product of labour. When wealth increases rapidly, new soils are brought into cultivation, and more ploughmen are wanted. The demand for ploughs produces a demand for more men to mine coal and smelt iron ore, and the iron-master becomes a competitor for the employment of the labourer, who obtains a larger proportion of the constantly increasing return to labour. He wants clothes in greater abundance, and the manufacturer becomes a competitor with the iron-master and the farmer for his services. His proportion is again increased, and he wants sugar, and tea, and coffee, and now the ship-master competes with the manufacturer, the iron-master and the farmer; and thus with the growth of population and wealth there is produced a constantly increasing demand for labour, and its increased productiveness, and the consequently increased facility of accumulating wealth are followed necessarily and certainly by an increase of the labourer's proportion. His wages rise, and the *proportion* of the capitalist falls, yet now the latter accumulates fortune more rapidly than ever, and thus his interest and that of the labourer are in perfect harmony with each other. If we desire evidence of this, it is shown in the constantly increasing amount of the rental of England, derived from the appropriation of a constantly decreasing proportion of the product of the land: and in the enormous amount of railroad tolls compared with those of the turnpike: yet the railroad transports the farmer's wheat to market, and brings back sugar and coffee, taking not one-fourth as large a *proportion* for doing the business as was claimed by the owner of the wagon and horses, and him of the turnpike. The labourer's product is increased, and the proportion that goes to the capitalist is decreased. The power of the first over the product of his labour has grown, while that of the latter has diminished.

Look where we may, throughout this country, we shall find that where machinery of transportation is most needed, the quantity of labour that can be given to production is least, and the return to labour—or wages of the labourer in food, clothing, and other of the necessaries and comforts of life—is least: and that where transportation is least needed, the quantity of labour that can be given to production is greatest, and wages are highest: or in other words, that the nearer the consumer and the producer can be brought together the larger is the return to labour.

For forty years past the cultivation of cotton in India has been gradually receding from the lower lands towards the hills, producing a constantly increasing necessity for the means of transportation, and a constant diminution in the quantity of labour that could be applied to production. With each such step labour has been becoming more and more surplus, and the reward of labour has been steadily diminishing.

During a large portion of this period, such has been the case with Southern labour. It has been gradually receding from the lower lands of South Carolina and Georgia, producing a constant increase in the necessity for transportation, while the commodities to be transported would command in return a constantly decreasing measure of cloth, iron, and other of the necessaries of life. This tendency has been in some degree arrested by the large consumption at home, and by the power of applying labour to the culture of sugar; but were we now to change our revenue system, establishing perfect freedom of trade, the home manufacture of cotton and the home production of sugar must cease, and cotton wool would then fall to three cents per pound, for the planter would then be reduced to that as the only thing he could cultivate for sale. Labour would become more and more surplus, with a constant diminution of the power of the labourer to obtain either cloth or iron.

So has it been, and so must it continue to be, with the sugar and coffee planters. Their products yield them a constantly diminishing quantity of either cloth or iron, with constantly increasing difficulty of obtaining clothing or machinery in exchange for labour.

In New England, wages—*i. e.* the power to obtain food, clothing, and iron in exchange for labour—are high, but they tend to rise with every increase in the productiveness of Southern and Western labour, and so will they continue to do as Southern and Western men become manufacturers, because the latter will then have more to offer in exchange for labour. With any diminution in the productiveness of labour South or West, the wages of New England must fall, because there will then be less to offer them in exchange.

In England, the power to obtain food, clothing, or iron, for labour, is small, and it tends to diminish with every increase in the proportion of the population dependent upon transportation, and every diminution in the proportion that applies itself to production, because with each such step there is a necessity for greater exertion to underwork and supplant the Hindoo, whose annual wages even now are but six dollars, out of which he finds himself in food and clothing. With every step downwards, labour is more and more becoming surplus, as is seen from the growing anxiety to expel population, at almost any present sacrifice. Why it is so we may now inquire.

The great object of England is commerce.

Commerce among men tends to produce equality of condition, moral and physical. Whether it shall tend to raise or to depress the standard of condition, must depend upon the character of those with whom it is necessary that it should be maintained. The man who is compelled to associate with the idle, the dissolute, and the drunken, is likely to sink to the level of his companions.

So is it with labour. The necessity for depending on commerce with men among whom the standard is low, tends to sink the labourer to the level of the lowest. Place half a dozen men on an island, two of whom are industrious and raise food, leaving it to the others, less disposed to work, to provide meat, fish, clothing, and shelter, and the industrious will be *compelled* to exchange with the idle. Clothing and shelter are as necessary as bread, and those who play will therefore profit by the labours of those who work. The latter, finding such to be the result, will cease to work with spirit, and by degrees all the members of the little community will become equally idle. Here lies the error of *communism* and *socialism.* They seek to compel union, and to force men to exchange with each other, the necessary effect of which is to sink the whole body to the level of those who are at the bottom.

So, too, is it with nations. The industrious community that raises food and is *dependent* on the idle one that makes iron must give much of the one for little of the other. The peaceful community that raises cotton and is *dependent* on the warlike one that raises silk, must give much cotton for little silk. Dependence on others for articles of necessity thus makes a community of goods, and the sober and industrious must help to support the idle and the dissolute—nations as well as individuals.

So long as this state of dependence exists, the condition of each is determined by that of the other. If the idle become more idle, and the dissolute more dissolute, those who still continue to work must steadily give more labour for less labour, and their condition must deteriorate unless they adopt such measures as shall gradually diminish and finally terminate their dependence on such companions.

The policy of England has tended to produce *communism* among nations. She has rendered herself dependent upon other communities for supplies of the articles of prime necessity, food and clothing, obtaining her rice from the wretched Hindoo, her corn from the Russian serf, and her wool from the Australian convict, neglecting her own rich soils that wait but the application of labour to become productive.

The necessary consequence of this is a tendency downwards in the condition of her people, and as it is with those of England that those of this country are invited to compete, it may not be amiss to show what is the condition to which they are now reduced by competition with the low-priced labour of Russia and of India.

The *Spectator*, a free-trade journal, informs us* that "the condition of the labouring classes engaged in agriculture, long an opprobrium to our advancement in civilization, has not improved; while wages exhibit *a universal tendency to decline beneath the lowest level of recent times.*"

The *Morning Chronicle* has recently given a series of letters from a correspondent specially deputed to inquire into the condition of the labouring classes in the agricultural counties, and by him we are informed that in Buckinghamshire and Oxfordshire the average wages of the year will not exceed 9/=$2·16 per week, while in Berks and Wiltshire they will not exceed 7/6=$1·79, and with this it is to be borne in mind that "when a poor wretch is prevented for a day, or even half a day, from working, his wages are stopped for the time." The wife sometimes works in the fields, and adds three shillings a week to the fund out of which these unfortunate people are to be subsisted, yet this gain is not without a drawback, as will be seen by those who may read the following account of the condition of the English agricultural labourer, in the middle of the nineteenth century, which, long as it is, will be found interesting:—

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* November 12, 1849.

"When a married woman goes to the fields to work, she must leave her children at home. In many cases they are too young to be left by themselves, when they are generally left in charge of a young girl hired for the purpose. The sum paid to this vicarious mother, who is generally herself a mere child, is from 8*d.* to 1*s.* per week, in addition to which she is fed and lodged in the house. This is nearly equivalent to an addition of two more members to the family. If, therefore, the mother works in the fields for weekly wages equal to the maintenance of three children for the week, it is, in the first place, in many cases, at the cost of having two additional mouths to feed. But this is far from being all the disadvantages attending out-door labour by the mother. One of the worst features attending the system is the cheerlessness with which it invests the poor man's house. On returning from work, instead of finding his house in order and a meal comfortably prepared for him, his wife accompanies him home, or perhaps arrives after him, when all has to be done in his presence which should have been done for his reception. The result is, that home is made distasteful to him, and he hies to the nearest ale-house, where he soon spends the balance of his wife's earnings for the week, and also those of his children, if any of them have been at work. A great deal is lost also through the unthrifty habits of his wife. Her expertness at out-door labour has been acquired at the expense of an adequate knowledge of her in-door duties. She is an indifferent cook—a bad housewife in every respect. She is also in numerous instances lamentably deficient in knowledge of the most ordinary needle-work. All that she wants in these respects she might acquire, if she stayed more at home and was less in the fields. In addition to this, her children would have the benefit of being brought up under her own eye, instead of being, as they are, utterly neglected and left to themselves; for the party left in charge of them—and it is not always that any one is so—is generally herself a child, having no control whatever over them. It is under these circumstances that the seeds of future vice are plentifully sown. On the whole, as regards the system of married women working in the fields, I cannot, when the children are young, but look on the balance as being on the side of disadvantage. In that case I think it would be decidedly better for the poor man, having reference only to his physical comforts, that his wife stayed at home. And this is the position of many a labouring man. In many cases when the family is large, some of the children are at work, adding their scanty wages of from 1*s.* 6*d.* to 2*s.* a week to the common fund. But I have known numerous cases of famllies of seven children, of which the eldest was not eight years old. Besides, when these are fit to work and earn wages of their own, his children soon become independent of him, and set up for themselves. This is in one way a relief to him, unless his family, while diminishing at one end, is increasing at the other. There can be no doubt but that a family is frequently aided by the earnings of the children, but in by far the greater number of cases the means of support are procured by the parents themselves. From what has been already said of the disadvantage to the whole family at which the wife bears her share in procuring them, it will be evident that the husband's earnings are, after all, the true test and standard of his own condition and that of those dependent upon him.

Moreover, in a very large proportion of cases, the wife remains at home, attending to duties more appropriate to her sex and position, in which case there is no other aid to be had, unless it be the trifling and fitful earnings of one or two of the children. We have seen that, in the counties in question, there are about 40,000 married couples, who, with their children, numbering about 120,000, depend exclusively upon agricultural labour for support. Of the 40,000 mothers, fully one-half stay at home, some being compelled to do so on account of the extreme youth of their children; and others, save when their families are somewhat advanced, preferring from calculation to do so, as being the best mode of turning their scanty means to good account. This may be taken as the case with half the married couples, who, with their families, will number about 100,000 individuals. So far, therefore, as these are concerned, the children, in about the same proportion of families, being too young to add any thing to the common stock, there is nothing else to adopt as the test of their condition and the standard of their comforts but the earnings of the husband. Let us inquire, therefore, into the condition of a family thus solely dependent upon such wages as the husband has, on the average, received during the past portion of the current year. I can best illustrate that condition by one of the numerous cases which came under my consideration in Wiltshire. The labourer in that case had had 8*s.* a week, but he was then only in receipt of 7*s.* He had seven children, the eldest of whom, a girl, was in her eighth year. Two of his children had been at a "dunce's school;" but they were not then attending it, simply because he could not afford the 4*d.* a week which had to be paid for their education. To ascertain how far he was really incapable in this respect, I requested him to detail to me the economy of his household for a week, taking his earnings at 8*s*. The following is the substance of the conversation, discarding, for the reader's sake, the portions in which the names are given.

When are your wages paid?—On Saturday night, but often only once a fortnight.

What do you do with the money on receiving it?—I first lay by my rent, which is a shilling a week. I then go to the grocer's and lay in something for Sunday and the rest of the week. I buy a little tea, of which I get two ounces for 6*d*. Sugar is cheap, but I cannot afford it. We sometimes sweeten the tea with a little treacle, but generally drink it unsweetened.

Do you purchase any butcher meat?—Generally for a Sunday we buy a bit of bacon.

How much?—It is seldom that I can afford more than half a pound.

Half a pound among nine of you?—Yes; it is but a mere taste, but we have not even that the rest of the week. It costs me about 5*d*.

Do you buy your bread, or make it at home?—We buy it. We have not fire enough to make it at home, or it would be a great saving to us.

Do you buy a quantity at once, or a loaf when you need it?—We buy it as we need it.

Have you a garden attached to your cottage?—I have about fifteen poles, for which I pay 1½*d*. a pole. It is less than the eighth of an acre.

What do you raise from it?—We raise some potatoes and cabbages.

Do you raise a sufficient quantity of potatoes to serve you for the year?—No, not even if they were all sound.

In addition to the potatoes and the cabbages which you raise, how much bread do you require for your own support, and that of your wife and seven children for the week?—We require seven gallons of bread at least.

What is a gallon of bread?—It is a loaf which used to weigh 8 lbs. 11 oz., but which now seldom weighs above 8 lbs. Those who supply bread to the union seldom make it over 8 lbs.

What is the price of the gallon loaf?—Tenpence. It is cheaper than it was, but then there is not always so much of it. It is often of short weight.

Seven gallons of bread at 10*d*. a gallon would make 5*s*. 10*d*., would it not?—I believe it would make about that—you ought to know.

Do you always get seven gallons a week?—No, seldom more than six.

Then you spend 5*s*. in bread, and make up for the want of more by potatoes and cabbages?—Yes.

You have still some money left; what do you do with it?—It costs us something for washing. For soap and soda, and for needles and thread for mending, we pay about 5*d*. a week.

Do you buy fuel?—We get a cwt. of coal sometimes, which would cost us about 1*s*. or 1*s*. 1½*d*. if we took in any quantity and paid ready money. When we do neither it costs us about 1*s*. 4*d*. a cwt. If there is one poor man who can afford to buy it in any quantity for ready money, there are forty who cannot.

How long would a cwt. of coals serve you?—We make it last one way or another for two weeks.

Your fuel, therefore, will cost you about 8*d*. a week?—It will.

Is there any thing else you have?—We buy a little salt butter sometimes, which we can get from 6½*d*. to 10*d*. a pound. We are obliged, of course, to take the cheapest; "and really, sir, it is sometimes not hardly fit to grease a wagon with."

But your money is already all gone: how do you pay for your butter?—It is not always that we have it, and we can only have it by stinting ourselves in other things.

You have said nothing about your clothing: how do you procure that?—But for the high wages we get during the harvest time, we could not get it at all.

How long does the time last when you get high wages?—About ten weeks, and but for what we then get I do not know how we could get on at all.

From this recapitulation it must certainly appear a mystery to the reader how they get on as it is. The weekly expenditure, in our view, is as follows, the family being nine and the weekly receipts 8*s*.:—

	s.	*d.*
Rent	1	0
Tea	0	6
Bacon	0	5
Bread	5	0
Soda, soap, &c.	0	5
Fuel	0	8
Total	8	0

The provision for clothing is in the extra wages paid at harvest time, while the family cannot be treated to the luxury of bad butter without sacrificing the tea, two ounces of which must serve for a week, the half pound of bacon, which affords but a "mere taste" on Sunday to each; some of the bread which is already but too scantily supplied; or a portion of their fuel, the absence of which renders their home still more cheerless and desolate. Sugar, too, is out of the question, without trenching upon items more absolutely necessary. Nor is there any reserved fund for medicines, too often required by a family of nine thus miserably circumstanced. What, in short, have we here? We have nine people subsisting for seven days upon 60 lbs. of bread—scarcely a pound a day for each, half a pound of bacon, and two ounces of tea, the rest being made up by a provision, too scanty in nine cases out of ten, of potatoes and cabbages raised in the garden. Could they descend much lower in the scale of wretchedness, especially when we couple with their stinted supply of the less nutritious kinds of food the miserable hovels in which it is taken by them, either shivering in the winter's frosts, or inhaling the pestilential odours engendered around them by the summer heats?

I could no longer express any surprise at 4*d.* a week being grudged for the education of two children.

This being the mode in which his weekly wages were expended, I asked the same individual to give me an account of his daily life, including his labour and fare. In reply to my questions on this point he answered, in substance, as follows:—

At what hour do you go to work?—At six in the morning, generally, in summer; but I have gone much earlier. In winter time work begins at a later hour.

Do you breakfast at home?—When I do not go out very early I generally do.

Of what does your breakfast consist?—Principally of bread, and sometimes a little tea. Sometimes, too, we have a few potatoes boiled.

When do you dine?—About twelve.

Of what does your dinner consist?—On the Monday my wife gets a little flour and makes a pudding, which, with a few potatoes, forms my dinner. Sometimes we have a pudding on other days, but generally our dinner is bread and potatoes, with now and then a little cabbage. When the family is not large, there may be a bit of bacon left that has not been used on Sunday, but that is never the case with us.

You return to work again?—I do, and when I come home at night may have a little tea again, with the bread which forms my supper. The tea is never strong with us, but at night it is very weak.

Do your children get tea?—We have not enough for that.

What is their drink?—Water; sometimes we get them a little milk.

What is your own drink?—Water.

Do you never drink beer?—Never, but when it is given me; I can't afford to buy it.

When your dinner consists of bread, potatoes, and water, have you nothing to season it or make it palatable?—Nothing but a little salt butter; and we can only afford that when the bread or potatoes happen not to be very good, or when we are ailing, and our stomachs are a little dainty.

When your bread or potatoes are bad, or your stomachs are dainty, you take as a relish the butter which you said was scarcely fit to grease a wagon with?—We have nothing better to take.

Suppose you had nothing but bread to eat, how much would you require to sustain you at work in the course of a day?—Two pounds at least.

And how much would one of your children require?—About the same. A child, although not at work, will eat as much as a man; children are always growing, and always ready to eat, and one does not like to refuse food to them when they want it. I would sooner go without myself than stint my children, if I could help it.

Then, at the rate of two pounds a day for each, you would require for all about 126 lbs. for the week?—I suppose about that.

And, as you only get about sixty pounds of bread a week, you have to rely on your potatoes and cabbages, your half pound of bacon, and two ounces of tea, to make up for the sixty-six pounds which you cannot get?—We have nothing else to rely on.

Have you enough of these to afford you as much nourishment as there would be in sixty-six pounds of bread?—Not nearly enough.

Is what you have stated your manner of living from week to week?—It is when I have work.

And when you have not work, how is it with you?—In the winter months we have sometimes scarcely a bit to put in our mouths.

Such is the substance of the statement, as regards his own and his family's circumstances, made to me by a labouring man in the receipt of the average rate of wages for the last nine months in Wiltshire. Comment is scarcely needed, the facts speaking but too plainly for themselves. Had the family been smaller, or the wages a little higher, instead of a "taste," they might have had a meal of bacon once a week. But even then it would be but once a week, potatoes and bread still constituting the staple of their diet, and even these not being had by them in sufficient quantity. Besides, even if they had it more frequently, bacon is not the most nourishing food in the shape of butcher meat; it is fat, and goes to fat. The little lean that is in it is almost destroyed by the process of curing. But it is greasy, and soon satisfies. "It fills us sooner than any other kind of meat," was the reply given to me when I asked why they preferred it to beef? But the fault is that it does not fill them; it satiates, without filling them. Bulk is required as well as nutriment in food. The stomach has a mechanical as well as a chemical action to perform. A man could not live on cheese, nor could he exist on pills having in them the concentrated essence of beef. They buy bacon because it goes a longer way than other meat—in truth, they buy it because it soon cloys them. Nor is it always that they have even a "taste" of it once a week. I have seen several families who had not tasted butcher meat of any kind for weeks at a time. When French and English workmen came together during the construction of some of the French railways, it was found that the Englishman could perform far more work than his French competitor. This was universally attributed to the superiority of his diet, it being supposed but reasonable on all hands to expect more work from the man who fed on beef and porter than from him whose fare was bread and grapes. But the fare of the man who is expected by his labour to develope, year after year, the agricultural wealth of England, is, in a large proportion of cases, little better than bread and water—the fare of the condemned cell! Contrast the condition of the English farm labourer with that of the farm labourer in Canada. In England he eats butcher-meat once a week, and not always that; in Canada he has as much of it as he wants once, at least, and frequently twice a day. Contrast his condition even with that of the slave in the Southern States of America. In Virginia, the great slave State, it is seldom that a day passes without the slave eating butcher-meat of some kind or other. In addition to this, when he is old and infirm, he has a claim on his master for support. But the English labourer, if he has a family to sustain, has not, even during the days of his strength, when he can do, and does work, the same nutritious diet as the slave; while, when he is disabled, or loses his work, he must starve, or, as the alternative, become a vagrant, or the recipient of a formal and organized charity. In the words of one of themselves, "it is not a living, sir—it is a mere being we get;" by which he intended to convey that their reward for their toil was their being barely enabled to exist.

It may be said that the case put is an extreme one. It is the case, however, of nearly one-half of those who are dependent upon labour in the fields. But it may be said that I have omitted to take into account some little privileges which the labourer has, and which, when he avails himself of them, tend to enhance his comforts. He may keep a pig, for instance, and his employer will sometimes find him straw for it, which, in process of time, will serve as manure for his little garden. This looks very well on paper, but that is chiefly all. In the four counties under consideration the number of labourers keeping pigs is about one in twelve. It is also a striking illustration of the condition of the labourers, that even such of them as do feed a pig seldom participate in the eating of it. Then we hear a great deal about the coal and clothing clubs, to which I shall hereafter more particularly advert, and the chief merit of which is that they tend to render life not pleasant, but barely tolerable to the poor."

The sleeping accommodations are thus described :—

"These are above, and are gained by means of a few greasy and rickety steps, which lead through a species of hatchway in the ceiling. Yes, there is but one room, and yet we counted nine in the family! And such a room! The small window in the roof admits just light enough to enable you to discern its character and dimensions. The rafters, which are all exposed, spring from the very floor, so that it is only in the very centre of the apartment that you have any chance of standing erect. The thatch oozes through the wood-work which supports it, the whole being begrimed with smoke and dust, and replete with vermin. There are no cobwebs, for the spider only spreads his net where flies are likely to be caught. You look in vain for a bedstead; there is none in the room. But there are their beds, lying side by side on the floor, almost in contact with each other, and occupying nearly the whole length of the apartment. The beds are large sacks, filled with the chaff of oats, which the labourer sometimes gets and at others purchases from his employer. The chaff of wheat and barley is used on the farm for other purposes. The bed next the hatchway is that of the father and mother, with whom sleeps the infant, born but a few months ago in this very room. In the other beds sleep the children, the boys and girls together. The eldest girl is in her twelfth year, the eldest boy having nearly completed his eleventh; and they are likely to remain for years yet in the circumstances in which we now find them. With the exception of the youngest children, the family retire to rest about the same hour, generally undressing below, and then ascending and crawling over each other to their respective resting-places for the night. There are two blankets on the bed occupied by the parents, the others being covered with a very heterogeneous assemblage of materials. It not unfrequently happens that the clothes worn by the parents in the day time form the chief part of the covering of the children by night. Such is the dormitory in which, lying side by side, the nine whom we have just left below at their wretched meal will pass the night. The sole ventilation is through the small aperture occupied by what is termed, by courtesy, a window. In other words, there is scarcely any ventilation at all. What a den in the hour of sickness or death! What a den, indeed, at any time! And yet when the sable goddess stretches forth her leaden sceptre over the soft downy couch in Mayfair, such are the circumstances in which, in our rural parishes, she leaves a portion of her slumbering domain.

Let it not be said that this picture is overdrawn, or that it is a concentration, for effect, into one point, of effects spread in reality over a large surface. As a type of the extreme of domiciliary wretchedness in the rural districts, it is underdrawn. The cottage in question has two rooms. Some have only one, with as great a number of inmates to occupy it. Some of them, again, have three or four rooms, with a family occupying each room; the families so circumstanced amounting each, in some cases, to nine or ten individuals. In some cottages, too, a lodger is accommodated, who occupies the same apartment as the family. Such, fortunately, is not the condition of all the labourers in the agricultural districts; but it is the condition of a very great number of Englishmen—not in the backwoods of a remote settlement, but in the heart of Anglo-Saxon civilization, in the year of grace 1849."

Bad, however, as is all this, it is likely to be worse. Everywhere, notices are being given of a reduction of wages, and diminution in the number of persons to be employed. There is scarcely, says the writer, a district in any of these counties "where the work of reducing wages has not already commenced." In one of them, as early as last June, there was a reduction from 8*s.* to 7*s.*, and "apprehensions are everywhere entertained that they will be reduced to 6*s.* = $1·44." "Is it any wonder," he adds, "that, with such a prospect before them, the agricultural labourers should brood over their circumstances with the ominous sullenness of despair? What is that prospect? The winter is approaching—the season when most is required by us all to administer to our comforts. They are entering upon that season with here 8*s.*, there 6*s.*, and there again but 5*s.* a week for the support of their families. How far will these pitiful portions go in households of five, six, seven, eight, nine, or ten individuals? We cannot, in estimating a labourer's comforts at any given time, apply to them the test of his average wages. It is his wages for the time being that decide the measure of his condition. Had he at any time more than was necessary to carry him and his family up to the line of comfort, he might lay by the surplus for adverse times. But he never has what secures him perfect comfort, and is always more than tempted to spend all he gets. He therefore commences this winter, as he does every winter, without any reserve-fund to fall back upon; and the fact is appalling that, in this month of October, thousands of families in the very heart of England have no better prospect before them than that of living on 8*s.*, 6*s.*, and even 5*s.* a week, in their cold, damp, cheerless, and unhealthy homes."

The Canadian farmer is invited to contend in the market of England with the serf of Russia for the privilege of supplying with food men to whom a morsel of bacon on a Sunday is a luxury, when by the simple process of annexation and protection he could bring to his side the same men and convert them into large and valuable customers. The planter is invited to contend in the market of England for the privilege of clothing men who want means to buy bread, when by an exercise of his will he could bring to his side, annually, millions of the same men, each of whom would then require twenty pounds a year, two millions consuming half as much as was consumed in 1847 by almost thirty millions of the people of England and Wales.

The system of England demands that with such people as these we shall establish a community of goods. Were it allowed free play—were the people of the world to establish what is called free trade, and thus unite their efforts for the maintenance of *the monopoly system*, wages universally would fall to the level of those of the poorest countries of the world, for with every step those of England would, of necessity, fall, because they must be kept at that point which would enable her people to underwork the world, and the tendency everywhere would be, as it has been in Ireland and India, downward. The adoption of perfect free trade by this country would, for a short time, produce some activity there, but a very short period would prove that we bought far less under free trade than we had done with protection, and in the mean time the disproportion of the English population would have largely increased, and the difficulty would be then far greater than it is now, great even as it is. We now *pay for* far less merchandise than we did three years since, and were it not that we are still able to buy on credit, we should make smaller demands on England than we have done at any period since 1842. The greater the amount of capital thus lent to us, the lower must fall the condition of the English labourer. Every step now being made by England is a step downwards, and if we would not have our labourers reduced to a level with hers we must, by protection, endeavour to raise hers to a level with ours, as it will do by relieving us from the necessity for *dependence* upon commerce with a people whose labour is lower in the scale than our own. It tends to raise the value of man abroad and at home, and to enable all to obtain *more* food, fuel, and clothing with *less* labour. Under it immigration has always increased, and it has declined with its diminution. That it must tend to raise wages abroad is obvious from the fact that so many hundreds of thousands of the population of Europe, held to be surplus, have sought our shores, thus diminishing the quantity of labour seeking there to be employed.

With the approach to what is called freedom of trade, that system which tends to the maintenance of the monopoly of machinery in England, the value of labour here is falling towards the level of that of England. The present diminished production of coal and iron is maintained only by aid of a great diminution of wages. Labour is becoming surplus, and immigration is already falling off. This year will show a large diminution therein, and every step in that direction must be attended with a rise of freights tending to diminish the power to export either food or cotton. With the diminution of wages at the North, there is already a diminished power to consume either food or clothing, with increase in the surplus that is to be sent. Thus the same measures that increase the *necessity* for depending on machinery of transportation diminish the *power* to obtain it, to the deterioration of the condition of the whole body of the people, labourers and capitalists, farmers and planters, manufacturers and ship-owners; and the same which tend to diminish our necessities for depending thereon, tend to increase our power to obtain it, to diminish the burden now pressing upon the land-owners and labourers of Europe, and to bring about that state of things which shall give to us and them perfect freedom of trade. The harmony of all interests, whether individual or national, becomes more and more obvious the more the subject is examined.

It may not be uninstructive to review the last few years, with special reference to the discords that have occasionally been seen to exist between the employers and the employed, accompanied by strikes, combinations, &c., with a view to show their cause.

It is within the recollection of most of my readers that the years from 1836 to 1839 were distinguished for disturbances of this kind. The cause is obvious. Production was diminishing, and the labourer found himself unable to obtain the quantity of food, fuel, and clothing to which he had been accustomed. He desired a rise of money-wages to meet the rise in the price of food, but the employer could not give it, and hence arose combinations for the purpose of compelling him to do so.

From 1844 to 1848, harmony was restored, because production increased, and the labourer found that each year enabled him to obtain more food and clothing, and better shelter, with the same labour.

The last year has been marked by a succession of combinations. In the coal region of Pennsylvania, at Pittsburgh, Lowell, and various other places, there have been strikes and turn-outs, some of them long-continued; and everywhere there have been clamours for the passage of laws restricting the hours of labour; but those who thus clamoured desired that wages should remain as they were. These things all result from the one great fact that the productiveness of labour is diminishing, and that wages are tending towards the European level.

To that cause was due the jealousy of foreigners which gave rise to the "native" party. In 1842, employment was almost unattainable, and the native workmen were indisposed to divide with strangers the little that was to be had. With the increased productiveness of labour wages rose, and the "native" party almost died out, while the import of foreigners was quadrupled. If the system of 1846 be continued, the same jealousy will re-appear, and foreigners will be proscribed, while immigration will be diminished.

It is to the interest of the native workmen that the wages of Europe should be brought up to a level with our own, and the only way in which that can be accomplished is for us to pursue a course that shall tend to render it the interest of every man in Europe that can find means to pay his passage to endeavour to reach our shores. Every one that comes will be a producer of something, and every one therefore a customer to others for their products. Look where we may, there is the most perfect harmony of interest.

CHAPTER SIXTEENTH.

HOW PROTECTION AFFECTS THE SLAVE AND HIS MASTER.

Protection tends to increase the productiveness of labour. Many of the labourers of the Union are held as slaves, and protection must tend to render their labour more valuable to their owners, who may, therefore, be rendered less disposed to part with them. If such were likely to be the fact, protection would tend to perpetuate slavery, and all who were opposed to its continuance should advocate free trade.

By all English writers, and by many among ourselves, it is held that the way to terminate the existence of slavery is to destroy the value of slave-labour. With that view the British government is urged to prohibit slave-grown sugar, and to encourage the extension of the cotton culture in India—the wretched Hindoo, who labours a whole month for two rupees, (one dollar,) out of which he feeds and clothes himself, being held to be a freer man than the well-fed, well-clothed, and well-lodged labourer of Virginia or Kentucky.

Throughout the world, men have become free as wealth and population have grown, and as land has increased in value. In the early days of Rome, when Latium was filled with prosperous cities, land was valuable, and men were free. With the gradual depopulation of Italy, land lost its value, and large masses accumulated in the hands of great proprietors surrounded by slaves. So was it in Attica. In the days of Solon, land was valuable and men were free. In those of Herodes Atticus, land was valueless and men were slaves. The richest lands of India have been abandoned and are now jungle, and the descendants of the little village proprietors of the last century now sell themselves to slavery in Jamaica and Demerara. In Russia, land has no value. The value of a property is estimated by the number of its serfs. In Belgium, land has great value, and the people are the freest in Europe. With the gradual increase in the value of land in England, men became more free, whereas with every step tending to increase dependence on Poland and Russia for food, land is becoming less valuable, labourers are becoming more and more the inhabitants of parish work-houses and the slaves of parish beadles, and landowners are becoming more and more anxious to expel the population that would otherwise give value to the land. The land of Ireland has almost lost its value, and the labourer of Ireland has become a slave to the caprices of masters who regard him as an encumbrance to be gotten rid of by any process, however cruel.

Increase in the value of land tends towards freedom; decrease tends towards slavery. If protection tends to add value to land, it tends to the promotion of freedom; if it tends to diminish its value, it tends to the maintenance of slavery.

The least valuable land is that in which men are most rare; the most valuable is that in which they most abound. The cause of the difference between the two is to be found in the difference in the labour required for the performance of exchanges. The hills of Limburg, the poorest part of Belgium, rent for from six to eight dollars; and for flax land in Flanders, ten to twelve dollars per acre is a common rent; while cotton-producing land of the highest quality may here be had, *in fee*, for *one-eighth* of the latter sum. The one has a market on the land, and the other has not; and in this single and simple fact may be found nearly the whole reason for this enormous disproportion.

The man who lives in Arkansas has to employ numerous men, horses, steamboats, ships, and warehouses, in the performance of every exchange, and the consequence is, that he receives for the produce of his land little more than compensation for his labour, and his land has scarcely any value. He can raise for market little else than cotton, of which the earth yields but little, for which reason it commands a price that will enable it to bear transportation. His surplus corn is almost valueless; while to attempt to raise for market potatoes or turnips, of which the earth yields by hundreds of bushels to the acre, would be ruinous.

The man who lives near New York exchanges directly with the consumer of his products and the producers of the commodities that he desires to consume. He can raise potatoes, turnips, and cabbages, bulky articles; or strawberries and raspberries, delicate ones—none of which will bear transportation. He sells his milk, and is not compelled to convert it into butter or cheese. He is not required to convert his corn into pork, with a view to diminishing its bulk and enabling it to go to market. His products are all consumed near him, and he can readily return to the land the refuse, increasing its productive power from year to year. The amount yielded is far more than wages for his labour, and the whole surplus is the rent he derives from his land, fifteen or twenty years purchase of which is its market value.

That value is three, four, five, or six hundred dollars per acre, while land in Arkansas is now offered in free gift to those who will come and pay the taxes. The sole cause of the difference is, that the owner of the one exchanges directly with the men who make hats and coats, shoes and stockings, ploughs and harrows, and the other does not. To make the land of Arkansas as valuable as that near New York, it would be necessary that its owner should exchange for hats and shoes, ploughs and harrows, as freely as does the man of New York; that is, he must make a market on the land for the products of the land. The return to labour would then be large, and the value of man would rise; but all that was returned over and above the wages of the labourer would be rent, and the value of land would rise. Men would then become free; first, because the cost of raising a slave would be far more than he was worth when raised; and, second, because the land would be too valuable to be cultivated by slaves.

The man of Wisconsin can afford to raise hogs, because corn is but twenty cents a bushel. The man near New York cannot, because corn is worth sixty cents. The man of Arkansas can afford to raise slaves, because they are worth as much as they cost to raise. The man near New York could not, because they would cost him more than their services would repay. Had Arkansas a market on the land for all the products of the land, hired labour would be found so much cheaper that no man would desire to raise a slave.

The man who owns valuable machinery cannot afford to employ poor labour. The interest on his factory is as great if the looms produce but twenty-five yards per day as if they produced fifty. With the former quantity he would be ruined. With the latter he would grow rich. The slave will give him the one—the freeman the other. To make the slave work like the freeman, he must have an inducement—that is, he must receive wages.

Were a large landholder near New York offered the services of men, their wives and families, on the same terms as the planter has those of his slaves—to feed, clothe and lodge them—he could not profitably accept them; and yet the money-price of such labour is at least *twice* as great as at the South. The price of their food, however, would be *thrice* as great, and they would require more clothing, and their children must be educated; and to obtain all these things there would be needed the exertion of the man working for himself, and the economy of one who looked to the future for himself and his family. Were such an offer accepted, the party accepting would speedily find that his people produced less and wasted more than those of his neighbours, and that the rent of his land was diminished by the arrangement.

Place in the Southern States machinery for converting into cloth half a million of bales of cotton, and for producing half a million of tons of bar-iron, and there would be created a great demand for labour. The facility of obtaining iron in exchange for corn and cotton would cause the making of thousands of miles of railroad, and here would be a new demand for labour. The mills, the furnaces, and the roads would bring towns, filled with tailors, shoemakers, hatters, blacksmiths, makers of ploughs and harrows, looms, spindles, and steam-engines, and here would be a new and large demand for labour, while the number of labourers would not be increased. It would then become necessary to economize labour because of its increased value. How could it be done? The slave would do no more than his accustomed work, without an inducement, and that is to be found in wages. The increased product of his labour would thenceforth go to himself.

Large crops would then be obtained in lieu of small ones, and one hundred bushels of corn, or one hundred pounds of cotton would then buy more cloth or iron than now are obtained for three. The increased value of crops would raise the price of land, and if that should average but ten dollars per acre over the South, it would amount to four thousand millions of dollars, and thus would the planters be made rich.

Here, then, are two commodities, man and land, both increasing in value, but the increase in the one goes to the man himself, while that of the other goes to the owner. What would be the effect of this on their market value? Where property is steadily growing in value, it sells for twenty, thirty, and even more years' purchase of its rent. Such would be the case with land.

When property is decreasing in value, it sells for six, eight, or ten years' purchase of the rent that can be commanded for its use. Such would be the case with the slave. With the increased productiveness of his labour he would be obtaining for himself an increased *proportion*, leaving a diminished one to his owner, and thus would the value of the slave be transferred to the land.

To raise a slave would then become too costly. What then would become of the children? The *parents*, everywhere, make sacrifices for their offspring, and by them alone can children be raised, where land is valuable. To induce those sacrifices they must know that they are working for *their own* children, and not for *their master's* slaves.

With increase in the value comes the division of land. Great plantations would become small ones, each of which would yield more than is now yielded by the whole. Small farms would come, cultivated by negro tenants, and thus step by step would men, their wives and children, become free, as their late owners were becoming rich.

To accomplish both these objects it is necessary that the people of the South should have mills and furnaces to make a market on the land for the products of the land. Those they cannot have without protection against the monopoly system by which they are now being exhausted. The abolitionist and the slaveholder should then unite in the demand for the adoption of measures tending to the abolition of the English monopoly of machinery.

The former would, however, say that the process would be too slow. On the contrary, it would be most rapid. Had the tariff of 1828 continued in existence to the present time, the lands of the South would now be trebled in value, and the slaves of the South would now be far advanced towards freedom.

The latter would say that they would lose their property. The answer would be that for every dollar of diminished value in man, they would have five, or ten, or twenty in the increased value of land. It would be precisely as land became valuable that man would become free.

The Union is now agitated by the question whether or not slavery shall be carried beyond its present limits. The agitators are determined to force the Wilmot proviso upon the South, and the people of the latter declare that they will dissolve the Union rather than submit to it. Neither is disposed to penetrate below the surface to understand the cause of difficulty.

If a demand for labour existed in the Slave States, consequent upon making a market on the land for its products, the necessity for *emigration* would pass away, and *immigration* would begin. The people of the South would not then desire to go to California, nor would those of the North deem it necessary to pass laws to prevent them from so doing. All the discord between the different portions of the Union results from the existence of the colonial system, which it is the object of protection to terminate, and thereby raise the value of land and of man, black or white, throughout the world.

This question has thus far been looked at as one of dollars and cents merely, and such is the light in which it should be examined. When it can be shown to be the *interest* of a body of men to pursue a certain course, we may safely calculate upon its being pursued by a large portion of them; but when we confine ourselves to showing that it is their *duty*, and that in the performance of that duty they must neglect their interests, we may as safely calculate that very few will follow in the course thus indicated. The agitators of the North would impair the value of property and destroy the peace of the South, while deteriorating the condition of the objects of their sympathy, and all this they would do that *others* might be compelled to perform their duties. It is time that the reasonable men, North and South, should understand each other, and determine to adopt the course that would give value to labour and land, and thus relieve themselves from the dangers incident to the agitation of men who would destroy the value of both.

With every step of improvement in the value of land, there would come improvement in the physical and moral condition of its owner. Throughout the South, there is even now a growing indisposition to hold men in slavery; but how rapidly and widely would that feeling extend itself were the owners of land and of slaves to feel themselves growing richer instead of poorer, as is now the case. The cause of emancipation has been going backwards for the last twenty years, and those who desire to know why it is so have only to look to the fact, that, in 1845–6, 600,000,000 of pounds of cotton would not bring as much iron to the plantation as 100,000,000 would have done thirty years before, or 275,000,000 only a dozen years before.* The consequence has been a growing tendency to the abandonment of land, and an increased regard for that species of property which was capable of being transferred, which land was not. Harassed and annoyed by abolitionists on the one hand, and on the other by a constant deterioration in the value of the only crop upon which he has been accustomed to depend, and compelled to change from that to sugar or to wheat, it is no matter of surprise that there should have been produced the state of feverish excitement now witnessed everywhere in the planting States, and which must increase unless the loom can be brought to take its place by the side of the cotton.

It is a common impression, that the people of South Carolina have exhausted their rich lands, and that they are moving away from poor ones, yet nothing can be more erroneous. They commenced upon poor soils, as has been done in every country of the world, and they are now flying from meadow-lands capable of yielding the finest artificial grasses, of which they have millions of acres untouched; from river bottoms uncleared, from swamps undrained, and from marl, and lime, and iron ore, all of which exist in almost unlimited quantity. Nature has done for that State every thing that could be done; but man has, as yet, done nothing but exhaust the poor soils upon which the work of cultivation was first commenced, and therefore it is that their agricultural reports, and their newspapers repeat, year after year, the question, "What shall the cotton planters do?"

"This," says the editor of the South Carolinian, "is a question daily asked by our planting friends. There seems," he continues, "at present great solicitude as to the policy which is to be pursued by them in pitching their next crop. We hear the cry of less cotton and more grain ringing from one end of the State to the other. We are not surprised that many planters who plant heavily should say their present crop will bring them in debt if the ruinous prices continue much longer. No planter can make both ends meet who receives only four or five cents for his cotton, and has to pay the present exorbitant prices for bagging, bale rope, pork, mules, sugar, coffee, salt, and iron. Mules are high, pork is high, bagging and rope are up to the prices of the twelve and fifteen cent times of cotton, and sugar, coffee, iron, and salt steadily stand at the old rates. If to expenditures for these necessary articles, the planter has to add his negro clothes, shoes, hats, and blankets, he will have nothing left to remunerate him for his labour.

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* See page 58, *ante.*

These are really matters which they should ponder over, and a system of planting, which does not repay for the labour and investment of capital engaged in it, we reasonably think would soon be abandoned. But it will not be. Our planters are taught no other systems; they do not know how they will supply the vacuum which would be made by an immediate abandonment of the cotton crop. It would take several years before they could perfect, with the strictest economy, those arrangements which would render them entirely independent of it as a marketable crop. Therefore the step taken should be wisely considered before adopted, and the utmost caution should be observed in making, what we sincerely believe would be, if once begun, a radical change in our system of agriculture. We therefore advise, for the coming year, a reduction simply of one-third of the cotton crop throughout the State—devoting, at the same time, the land thus thrown out of the cultivation of this crop to the production of grain and the increase of labour, which would thus be given, to the proper manuring and improved tillage of the cotton planted and the general improvement of the plantation. By this process the cotton lands would be increased in fertility, and the increase of grain which would follow would greatly facilitate the rearing of mules, hogs, cattle, and sheep; and in a short time the whole State could render itself independent of the exactions of our Kentucky neighbours, who kindly supply us with all such things, simply at the expense of the prosperity of our agricultural population; for, in practice, they annually sweep the country of all the surplus cash which is afloat in payment for their bacon and mules. We would, if this system were adopted, soon be able to produce as much cotton on fifty acres as we do now on one hundred; and the investment of the agricultural profits of the State at home, although they might be small, would have a wonderful influence on general prosperity, and build facilities throughout our now desolate and almost unapproachable State, which would not only enchain our own sons to her borders, but induce capitalists to come into our midst, to make their dollars tell by learning us a lesson of practical enterprise. We say to the planters, raise less cotton, more grain, more mules, more hogs; make your own negro clothes; raise sheep—make your own blankets; erect tan-yards—encourage shoemakers and hatters; in fact, artisans of all kinds to settle permanently amongst you; labour at making your soil rich, and do not devote all your energies to wearing it out, and soon all things will go well with you. You will not make so many bales of cotton; in fact, may not cut such a swell on your factors' books; but, take our word for it, you will have happier slaves, richer lands, more thrift and fewer debts, and sleepless thoughts, to harass your hours of rest."

It is impossible to read this without being struck with the fact, that, while, from the exhaustion of her original poor soils, and her inability to clear and drain rich ones, that State is unable to produce cotton in competition with her neighbours, she is a large importer of other agricultural produce. Her chief city is supplied with hay from the North, notwithstanding her abundance of rich meadow land. She consumes the pork of Ohio, and she uses the mules of Kentucky; and thus, while selling her products at the low price that is necessarily consequent upon her distance from the place at which her food and cotton are to be converted into cloth, she buys of others food, mules, &c., at the highest price, because of her distance from the place of production. She wastes labour and manure upon the road, and is then surprised at the exhaustion that results necessarily from such a course of policy.

The remedy for all this may, it is supposed, be found, first, in diminishing the quantity of cotton; but that is already diminishing so rapidly that the great cause of apprehension throughout the State seems to be that its cultivation must soon cease, because of inability to produce it. She desires to diminish the supply of cotton, while her people are flying from her to seek the west, there *to produce more cotton*. Second, the lands are to be manured, but we are not told from whence the manure is to come. The State has scarcely any consumers of agricultural produce except those who are engaged in its production, and their consumption yields but little manure. Her horses are always on the road, wasting the manure yielded by her hay and her corn, and her rice and cotton are consumed abroad, the consequence of which is, that of what is yielded by the land nothing goes back, and the land and its owner become impoverished together. Her population diminishes. Everybody is seeking to find elsewhere a better place for employing his capital and his labour. Under such circumstances it is useless to talk about artificial manures, and her swamps and river bottoms, in which manure has for ages accumulated, will not pay the cost of clearing for the raising of three or four hundred pounds of cotton to the acre. Give her a consuming population that will make a market on the ground for the tons of potatoes, and turnips, and hay, and the milk, and the veal, that will be yielded by rich soils, and the State will become one of the richest of the Union. It is population that makes food come from the rich soils, as we see to be the case in Belgium, and England, and New England; and it is depopulation that drives men back to the poorer ones, as is shown in Ireland, India, South Carolina, and Virginia. The people of Ireland are flying from each other as if from pestilence, and yet that unfortunate island, in which men are restricted almost entirely to the cultivation of the land, offers us now the chief European market for our surplus food, while South Carolina, destitute of consumers, is one of the principal markets of populous Ohio for her surplus products. Whenever the former shall begin to consume on the land the products of the land, she will have manure to keep in cultivation her poor soils, and she will acquire ability to clear and drain the rich ones, and then she may export hay instead of importing it. Ireland, like South Carolina, abounds in rich soils untouched. She has millions of acres of bog that could be drained with far less labour, and at far less cost, than have been required for similar lands in England, and it is estimated that three millions of these acres would afford food for six millions of people; but, also, like South Carolina, she is compelled to waste on the road the labour and manure yielded by the poorer soils now in cultivation, and is thereby rendered too poor to clear and drain the rich ones, which never have paid, and never can pay, the cost of preparation, without the presence of a consuming population requiring the potatoes, and the turnips, and the hay, of which the earth yields by tons, and not by pounds or bushels.

Had the people of the Southern States, during the last twenty years, been making for themselves, out of their own coal, ore, and limestone, an average of only 250,000 tons of iron, the quantity made in that time would have been five millions of tons, all of which would now be there in the various forms of agricultural and manufacturing machinery, railroads, cars, and locomotives, and they would now be adding to the quantity at the rate of half a million of tons annually.

Fifty thousand tons of iron would make almost 500 miles of single track road. Let us suppose that they averaged annually but half that quantity, and had now, as they might easily have, 5000 miles of road running through populous manufacturing villages in which they were converting their cotton into cloth or yarn for the supply of the world, and then let us estimate what would be the increased value of the landed property of those States. An average annual product exceeding that of the present time to the extent of only *one dollar per acre* of the States south of Mason and Dixon's line, would represent a capital of *six thousand millions of dollars*, being perhaps five times the present value of their slave population, all of which would be at this moment on the highway towards freedom as their masters were making their way towards fortune.*

Instead of pursuing a course that would have enabled them to profit by the magnificence of their position, the planters have allowed themselves to be taxed for the maintenance of the people of England, who produce little themselves, and have therefore but very little to give in exchange for the vast mass of agricultural products they receive, the consequence of which is, that their customers are becoming poorer every day, and they themselves are fast passing towards a state of exhaustion similar to that they have produced in Ireland, India, the West Indies, and every other country that has been compelled to submit to their most unnatural system. A writer, describing the present position of affairs, says:—

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* Emigration from the rich lands of the older States of the South would then cease, and immigration would begin, and thenceforth the increase in the value of land would be immense.

> "As a disinterested spectator of events, I assure you that during a residence of nearly ten years in England, I have not seen the different branches of trade in so disastrous a position as they are at present; and from the petty dealer to the wholesale tradesman, I have never heard so many complaints about the wretched state of trade, not only in the metropolis, but generally throughout the country. I place more confidence in the statements of a dozen respectable tradesmen than I do in 'trade circulars,' which are usually got up to serve certain interests, or to cover the real truth, and incite speculation. If I were to give an impartial opinion, I should unhesitatingly say that the repeal of the corn-laws, the repeal of the navigation laws and the railway mania, have together produced the present panic—for it is useless to say that there is not a panic; the leading men of nearly every class declare it by their looks, their words, and their actions.
>
> "The parish of St. Clement's Danes, one of the richest parishes of the metropolis, where I am now residing, shows the real condition of the general trades-people of London. The Church-warden of this parish recently informed me that *three* applications had been made to the parishioners for the amount of their poor rates and other taxes, and not more than one in twenty had paid their bills, and he intended to issue summonses against the delinquents. He also remarked, that during a residence of eighteen years in this parish, he had never known trade to be so dull as it is now."

What prospect there is of improvement may be gathered from the following extract from a journal that is the highest free-trade authority in England:—

> "We may not unreasonably fear, therefore, that, so far as Ireland is concerned, a considerable source of the progressive increase of the population and wealth of the empire is much diminished, if not absolutely dried up. Other sources of increase have, at the same time, been opened to us; but whether these will balance, or more than balance, the loss occasioned by the condition of Ireland is more than we can say. For many years the condition of the population there was gradually deteriorating, while their numbers increased; that terrible process has at length reached its climax, and the present generation has to sustain the deteriorated, and we fear demoralized mass, without any immediate hope of their being restored to habits of productive industry. It seems right to put all classes at once on their guard, lest the decrease of population noticed in the last quarter, may, from the causes we have mentioned, be an index to a permanently slower increase in population than has hitherto taken place."—*Economist* (*London.*)

With such a state of things the consumption of our products cannot increase. The question to be answered is, "Can it even be maintained?" Whenever population diminishes in its ratio of growth, it is an evidence of a deterioration of condition, and when that is going on, the first effect is felt in the diminished demand for clothing, for food is the want that must be first supplied.

Let it but be known that the people of this country, North, South, East, and West, are *determined* that the seat of the cotton and iron manufactures of the world is to be here, and the transfer of men and machinery will be such as to exceed all present calculation, and every man that comes will consume three, four, five, six, or twelve times as much cotton as at present, while taking all his food from our own farmers, who then will consume three pounds where now they consume but one. The remedy for all the grievances of the planters is in their own hands, and it lies in the pursuance of a policy advocated by the fathers of the Revolution, and by every chief magistrate of the Union, from Washington to Jackson, and of all of them but two were from south of Mason and Dixon's line, and all but those two elected by the same party that now repudiates protection.

Of all the chapters in the history of the people of this Union, the most honourable to them, as I believe, is that in which is recorded the history of the negro race. The three hundred thousand barbarians imported into this country are now represented by almost four millions of people, far advanced towards civilization and freedom, and to that number they have grown because they have been well fed, well clothed, well sheltered, and reasonably worked. It is a case totally without a parallel in the world, the history of which may be challenged for the production of a body of men invested with so much power over their fellow-men as has been exercised by the people of the South, and using it so moderately as to permit so rapid an advance in numbers and so great an improvement of condition.

Nevertheless, they are unceasingly stigmatized as slave-drivers and negro-breeders, and by the nation which lives out of them, and which *of all the nations of Europe possessing colonies has most misused its power over the negro race*, because the only one which has established laws prohibiting the consumer and the producer from taking their places by each other. It was remarked many years since, by an intelligent English traveller,* that to the French islands men went to remain and to exercise trades, but to the English ones they went only to endeavour to make fortunes, and then return. So has it everywhere been, and what have been the results ? In India, poverty the most extraordinary, and a succession of famines and pestilences without a parallel; in the West Indies, a waste of life equally unparalleled, requiring constant importations for the mere maintenance of their numbers. From 1817 to 1829, a period of twelve years, the slaves of Jamaica were reduced in numbers, *by death alone*, ten per cent.; whereas had they been here they would have increased thirty per cent. The number imported into that one island could not have been less than double that imported into this Union, and yet, while the larger number is at this day represented by *three hundred thousand*, the smaller is represented by *almost four millions*. The slave chapter of British history is as disgraceful as that of the Union is honourable.

That slavery even yet exists among us, is due to the monopoly system which has destroyed the value of land in Ireland, India, the West Indies, and all other of the British colonies, and yet the nation by which that system was instituted heads the crusade against slavery, while converting the freemen of Ireland and India into slaves, and denouncing the planters, at whose expense she lives, as unworthy to be received into the society of free-born Englishmen; and those very planters are united in the support of the system by which they are impoverished, and the people by whom they are thus denounced !

The following article on the position and prospects of the cotton trade, received at the moment that the above was in the press, so fully confirms the views given in a previous chapter, that I am induced, long as it is, to reprint it at full length. It is from the London *Economist*,† the highest free-trade authority in Europe:

"The quarters whence Great Britain draws her supply of raw cotton may be classed under five divisions:—North America, Brazil, Egypt, India, and Miscellaneous Countries, chiefly our own colonies. On the increase of production in these lands, and on the proportion of that increase which is sent to this country, depends our capability of extending our cotton manufacture, or even of maintaining it at its present level. Let us therefore consider each of these sources of supply in turn, that we may be able to form a fair estimate of our expectations from each. North America, as the most important, we will leave to the last.

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* Coleridge. Six Months in the West Indies.

† Dec. 1, 1849.

Brazil is the chief source whence we draw our supply of long-stapled cottons. Brazil has sent us as follows:

Brazil Cotton.

	Bales imported in five years.	Bales imported per annum.
1830—1834, inclusive	744,884	148,977
1835—1839 —	643,438	128,687
1840—1844 —	471,226	94,245
1845—1849 —	495,685	99,137

In this and the succeeding tables the imports for 1849 have been found by adding to the *known* imports for the first ten months, the quantity we have yet reason to expect, or that which ordinarily arrives in November and December.

From Brazil, therefore, our annual supply has diminished nearly 50,000 bales; or if we compare the two extreme years of the series, 1830 and 1848, the falling off is from 192,267 bales to 100,244, or 92,000 bales.

Egypt.—Our Egyptian supply, which is also long-stapled cotton, has ranged as follows:—

Egyptian Cotton.

	Bales imported in five years.	Bales imported per annum.
1830—1834, inclusive	99,899	19,899
1835—1839 —	173,031	34,606
1840—1844 —	207,913	41,583
1845—1849 —	224,579	44,918

The supply from Egypt, however, seems to have reached its maximum in 1845, in which year we received 81,344 bales. This year it does not reach half that amount Moreover, this country, from the peculiar circumstances of its government, is little to be relied upon,—the supply having varied from 40,290 bales in 1832 to 2,569 bales in 1833; and again from 18,245 bales in 1842, to 66,000 bales in 1844.

From **Other Quarters**, chiefly the West Indies, the supply has been:—

Miscellaneous.

	Bales imported in five years.	Bales imported per annum.
1830—1834, inclusive	68,873	13,775
1835—1839 —	161,369	32,274
1840—1844 —	117,887	23,577
1835—1849 —	44,833	8,966

East Indies.—Our supply from this quarter varies enormously, from 90,000 to 270,000 bales per annum, inasmuch as we only receive that proportion of the crop which our prices may divert from China or from internal consumption. Our imports thence have been as follows.

East India Cotton.

	Bales imported in five years.	Bales imported per annum.
1830—1834, inclusive	403,976	80,795
1835—1839 —	723,263	144,653
1840—1844 —	1,167,294	233,459
1845—1849 —	899,213	179,852

The summary of our supply from all these quarters combined is:—

Summary.

	Imports in five years.	Imports per annum.
1830—1834, inclusive	1,317,632	263,526
1835—1839 —	1,701,101	340,220
1840—1844 —	1,964,320	392,864
1845—1849 —	1,664,310	332,862

The result of this inquiry, then is, that our average annual supply from all quarters, *except the United States*, was in five years ending 1849 *less* by 7,358 bales than in the five years ending 1839, and *less* by 60,000 bales than in the five years ending 1844. Of this *diminished* supply, moreover, we have been exporting an *increasing* quantity, *viz*:—396,000 bales in the last five years, against 342,000 bales the previous five years.

UNITED STATES.—We may now turn our attention to our last and main source of supply, America, which has sent us:—

American Cotton.

	Imports in five years.	Imports per annum.
1830—1834, inclusive	3,241,958	648,391
1835—1839 —	4,308,610	861,722
1840—1844 —	5,802,829	1,160,566
1845—1849 —	6,188,144	1,237,619

The last five years, it should be observed, include the three largest crops ever known, one very deficient, and one rather so.

It is a known and admitted fact among those conversant with these matters, that a price of 4*d*. a lb. for middling uplands, laid down in Liverpool, leaves sufficient profit to the American planter to induce him to grow as much cotton as his negroes can gather; and that, therefore, as the average price has scarcely ever ranged so low as this for any great number of weeks, the *possible* increase of the crop of cotton will keep pace with the *actual* increase of the Negro population; and cannot do more. Now the negroes increase at a very regular rate of 3 per cent. per annum. If, therefore, these premises be correct, it will follow that the cotton crop of each year will surpass that of each preceding year of *equally favourable conditions* (*i. e.*, as to good planting and picking weather, late frosts, freedom from worms, inundations, &c.) by 3 per cent. Accordingly, we find this to have been pretty closely the case, as the following tables will show. The years 1840, 1843, and 1845, were very favourable years for the growth and gathering of cotton. Let us see what crop each of these years, calculated on the above bases (3 per cent. yearly increase,) would give for 1849, also a favourable year:—

	Actual crop.	No. of years.	Per cent.	Estimated crop of 1849.
1840	2,178,000	9	27	2,866,000
1843	2,379,000	6	18	2,807,220
1845	2,394,000	4	12	2,681,280
Average				2,784,833
Actual crop				2,730,000

From the following table it will be seen that, assuming the year 1838 as a starting point, the average increase of the American crop for the last 12 years has not quite reached 3 per cent.: and in fact wherein for any short series of years this rate has been exceeded, it has been attributable simply to an unusual run of favourable seasons

Year.	What the crop would have been with no extraordinary casualties, and increasing at the rate of 3 per cent. yearly.	Actual crop.
1837—38	—	1,801,500
1838—39	1,855,500	1,360,500
1839—40	1,911,200	2,178,000
1840—41	1,968,500	1,635,000
1841—42	2,027,500	1,683,500
1842—43	2,088,300	2,379,000
1843—44	2,151,000	2,030,500
1844—45	2,215,000	2,394,500
1845—46	2,282,000	2,100,500
1846—47	2,350,500	1,778,500
1847—48	2,421,000	2,347,500
1848—49	2,493,000	2,728,500
1849—50	2,568,300	2,350,000 estimated
Average	2,194,400	2,080,500

It is clear, then, that we shall be sufficiently near the mark for any practical conclusions, if we assume the average increase of the American cotton crop at 3 per cent. per annum, barring any *unusual* freedom from, or occurrence of, disasters, such as sometimes happen. Let us now inquire what proportion of this increase will fall to our share.

The consumption of the United States itself has been steadily on the advance, and now increases at an average annual rate of about 35,000 bales. It is now about 520,000 bales yearly. That of the continent now reaches (of American cotton) about 700,000 bales. America and the continent, therefore, require about 1,200,000 bales at present, and will require more each year. Moreover, they will always take precedence of Great

Britain, as their margin of profit is larger, and a small increase of price is of less consequence to their manufacturers than to ours, and checks consumption less. The following table will throw much light on this question:

5 Years.	Crop of American cotton.	Import of American cotton into Great Britain.	Export of American cotton from Great Britain.	American cotton retained for home consumption.
1840—44	9,905,638	5,802,829	295,600	5,507,229
1845—49	11,349,921	6,188,144	596,640	5,591,504
Increase	1,444,283	385,315	301,040	84,275

From this table it appears, that, while the *growth* of American cotton in the last five years exceeded that of the previous five by the unprecedented quantity of nearly one million and a half of bales, of this increase only 385,000 reached this country, *and of this we had to re-export more than three-fourths*, leaving an annual increase *available for home consumption* of only 17,000 bales. For any augmentation of consumption beyond this, we have been drawing on our stocks.

We will now bring into one view the *whole* supply and the *whole* consumption *of all kinds of cotton* in Great Britain during the last ten years:

Years.	Bales imported from all quarters.	Bales exported.	Retained for home consumption.	Supply for home consumpt'n annually.	Actual consumption annually.	Actual consumpt'n weekly.
1840—44	7,767,149	637,650	7,129,499	1,425,900	1,290,480	24,810
1845—49	7,852,454	992,850	6,859,604	1,371,920	1,477,360	28,410
Increase	85,305	355,200			186,880	3,600
Decrease			269,895	53,980		

We have taken the actual consumption of 1849 at 1,650,000 bales only, for reasons hereafter stated.

Now, *bearing in mind that the figures in the above tables are, with scarcely an exception, ascertained facts, and not estimates*, let us sum the conclusions to which they have conducted us; conclusions sufficient, if not to alarm us, yet certainly to create much uneasiness, and to suggest great caution on the part of all concerned, directly or indirectly, in the great manufacture of England.

1. That our supply of cotton from miscellaneous quarters (*excluding* the United States) has for many years been decidedly, though irregularly, *decreasing*.

2. That our supply of cotton *from all quarters*, (including the United States,) available for home consumption, has of late years been falling off at the rate of 1,000 bales a week, while our consumption has been increasing during the same period at the rate of 3,600 bales a week.

3. That the United States is the only country where the growth of cotton is on the increase; and that there even the increase does not on an average exceed 3 per cent., or 80,000 bales annually, which is barely sufficient to supply the increasing demand for its own consumption, and for the continent of Europe.

4. That no stimulus of price can materially augment this annual increase, as the planters always grow as much cotton as the negro population can pick.

5. That, consequently, if the cotton manufacture of Great Britain is to increase at all, *on its present footing*, it can only be enabled to do so by applying a great stimulus to the growth of cotton in *other* countries adapted for the culture.

Within the memory of many now living, a great change has taken place in the countries from which our main bulk of cotton is procured. In the infancy of the manufacture, our chief supply came from the Mediterranean, especially from Smyrna and Malta. Neither of the places now sends us more than a few chance bags occasionally. In the last century, the West Indies were our principal source; in the year 1786, out of 20,000,000 lbs. imported, 5,000,000 came from Smyrna, and the rest from the West Indies; in 1848, the West Indies sent us only about 1,300 bales; in 1781, Brazil began to send us cotton, and the supply thence continued to increase, though irregularly, till 1830, since which time it has fallen off to one-half. About 1822, Egyptian cotton began to come in considerable quantities, its cultivation having been introduced into that country two years before. The import exceeded 80,000 bales in 1845; the average of the last three years has not been a third of that quantity. Cotton has always been grown largely in Hindostan; but it did not send much to England till about thirty years ago. In the five years ending 1824, the yearly average import was 33,500 bales; in 1841, it reached 274,000, and may now be roughly estimated at 200,000 bales a year.

Now, what is the reason why these countries, after having at one time produced so largely and so well, should have ceased or curtailed their growth within recent years? It is clearly a question of price. Let us consider a few of the cases:

At the close of the years	Lowest price of Pernambuco.	Fall per. ct.	Lowest price of Maranham.	Fall per ct.	Lowest price of Egyptian.	Fall per ct.	Lowest price of Surat.	Fall per cent.
1836—39 inclusive	9½*d.*	—	8¼*d.*	—	10¼*d.*	—	4⅝*d.*	—
1840—43 . .	7	—	5⅝	—	7	—	3½	—
1844—48 . .	5⅞	36	4⅞	42	5⅞	43	2¾	40

Here, surely, may be read the explanation of the deplorable falling off in our miscellaneous supply. From the four years ending 1839, when the great stimulus was given which procured us so ample a supply during the succeeding period, to the quinquennial period ending 1848, there has been a fall in price, on an average, of 40 per cent. Unless, therefore, we assume either an enormous margin of profit in the earlier period, or an extreme diminution in the cost of producing the article of late years, such a fall in price would be quite sufficient to direct capital and industry into other channels, and to prevent so bulky an article as cotton from being grown or forwarded.

In both Brazil and India, freight and carriage form an inordinate proportion of the price of cotton. In both countries the bales are carried great distances on the backs of mules or other beasts of burden. The deficiency of good roads, convenient vehicles, and safely navigable rivers, in the cotton districts of both countries, swells the expense of bringing the bales to the shipping ports to such an extent, that, when prices are low in England, the ultimate net remittance to the planter is quite insufficient to repay the cost of growing, picking, and packing. In some years, the price of much of the Surat cotton sent to this country was so low as only to remit *one penny* a pound to the shipper at Bombay; and by the time this reached the actual grower, it had probably dwindled away, through the expenses of carriage, to a sum inadequate even to pay the government rent. Our supply from both these countries will depend entirely upon price. In Brazil, where we believe the sugar cultivation is less profitable than formerly, a range of prices 50 per cent. higher than those of the last few years would probably induce the planters to increase their cotton grounds, and would repay them for so doing. In regard to the East Indies, where large quantities are always grown, our supply thence depends upon two things—first, the demand for China, which is usually supplied before Great Britain; and, secondly, on the question whether the net price at Bombay or Madras will pay for picking, cleaning, packing, and transporting to the coast. Under the stimulus of high prices, (such as prevail at this moment,) large quantities, would, we doubt not, be sent forward; and the price that will be requisite to secure such large supplies will diminish as the means of carriage are increased and cheapened. If the prices of the last five years continue, we believe there can be no doubt that the supply will inevitably continue to fall off.

We do not, however, participate in the sanguine expectations which many parties entertain, that even with higher prices the quantity and quality of East Indian cotton sent to this country can progress so rapidly as to render us at all independent of the American supply. For, in the first place, the absence of good roads or navigable rivers in the cotton districts, the length of time and expenditure of capital needed before the want of those can be supplied by the establishment of railroads, and the languid and unenterprising character of the people, must necessarily cause any material increase of supply (at least over 250,000 bales per annum) to be a matter of very slow and costly operation. And, in the second place, the *quality* of the cotton grown in India is peculiar; and this peculiarity is still traceable, though in a modified degree, in whatever locality and from whatever seed the plant is grown, even in the best specimens (improved as they unquestionably are) which have of late been sent to this country; and this peculiarity will always, we fear, prevent it from being substitutable for American cotton, except to a very limited extent.

Our hopes lie in a very different direction; we look to our West Indian, African, and Australian colonies, as the quarters from which, would government only afford every *possible* facility, (we ask and wish for no more,) we might, ere long, draw such a supply of cotton as would, to say the least, make the fluctuations of the American crop, and the varying proportion of it which falls to our share, of far less consequence to our prosperity than they now are.

The West Indies, as we have already seen, used to send us, sixty years ago, about 40,000 bales, or three-fourths of our then supply. But the enormous profits realized on the growth of sugar, partly caused, and much prolonged, by our prohibitory duties on all competing sugars, directed the attention of the colonists exclusively in that direction. As in the analogous case of protected wheat in this country, other cultivation was gradually abandoned in favour of a single article; the cane was grown in soils and localities utterly unfit for it, and into which nothing but the protective system could have forced it, and cotton was soon altogether neglected. Many parts of the West Indies, St. Vincent especially, which are worst adapted for the cane, are the best adapted for the cotton plant, which flourishes in light and dry soils, and especially near the sea-coast. The artificial stimulus which our mistaken policy so long applied to sugar cultivation, having been withdrawn, it must be abandoned in all unsuitable localities, and would be well replaced by cotton. What price would be required to repay its culture there, we cannot say; but considering at how small a cost it might be placed on ship board in all these colonies, and how large a portion this item generally forms of the whole expense of production, we cannot see why cotton should not be grown in the Antilles as cheaply as in the United States, if only the negroes can be relied upon for steady and continuous labour during the picking season. Now, the price of West Indian cotton ranges higher than that of the bulk of the American crop, as being longer in staple. Our belief is, that were the attention of our planters once energetically directed to this article, they might soon send us a regular supply of 100,000 bales per annum, and thus find a use for many estates that must otherwise be abandoned.

The experiment of cotton growing has already been tried with success in one of our most hopeful African colonies—Port Natal. We have already received above 100 bales from this colony—the main portion of which consists of the indigenous cotton, very similar to that shipped from New Orleans, clean, fine, tenacious, but of a light brown colour. On the whole, it is a most admirable article for ordinary purposes, and worth in the market to-day nearly 7*d.* per pound. The remainder of the shipments have been grown from the sea-island seed, and are of excellent quality. The cultivation is rapidly increasing, and about 500 bales are expected next year from the colony. A society has been formed for promoting emigration thither, and a ship full of emigrants sailed a few days since. Mr. Byrne, the agent, says:

"Natal is situated in a sunny and bright region. It has iron, lead, coal, and copper in abundance, and with British industry might be made one of the finest and wealthiest countries on the globe. The country is admirably calculated for the growth of cotton, some of which is of a superior description. In America, cotton was chiefly cultivated by slave-labour at a cost of about 35*l.* a year for each slave; whereas at Natal the labour of the Zooloos could be purchased at a cost of 10*s.* a month; and Natal too, from its proximity to the sea, was most advantageously situated for carrying on the trade with England in competition with the States. I would not advise you to cultivate sugar; you will be able to get that article perhaps better from the Mauritius, where you will find a highly remunerative market for all agricultural produce. I intend in the beginning of the year to send out a screw steamer to run to and from that island and Natal."

From Australia we have as yet had no bulk of supply, but several acres are under cultivation, and the samples sent are of so fine a quality as to prove beyond question the adaptation of the soil and climate for the production of as good an article as any grown in America. We have now lying before us, along with the Port Natal cotton, samples of some grown from sea-island seed at Bolwarra, in New South Wales, near Maitland, about 80 miles north of Sydney. It is long, fine, and silky.

We believe that, under due encouragement, the cultivation of cotton in these quarters might increase in a steady ratio equal to our increasing demand. Let us now see, on a summary, how the matter stands.

We have seen that of the American cotton crop, our annual supply during the last five years has nearly reached 1,120,000 bales, and that, *the yearly increase of the crop being balanced by the yearly increasing demand for the United States and for the continent*, there is little probability of our ever getting more than this *on an average.* Let us suppose that a due advance in price raises the production of Brazil to what it had attained in 1830, and that of India nearly to what it was in 1841, and that Egypt and our own colonies will again send us some appreciable and increasing imports:

		Bales per annum.
United States	say	1,200,000
Brazil		200,000
India		250,000
Egypt		50,000
Our colonies		50,000
		1,750,000

This would allow us a supply of 33,500 bales a week. the apparent consumption of this year. For any addition to this we must depend on the increase of the colonial supply, or on that which a still higher range of prices will enable us to wring out of India and Brazil. The conclusion from the whole clearly is, that, in order to secure such a supply of the raw material as is needed to meet our own present consumption, *we must be prepared to pay a decidedly higher range of prices than has of late years obtained;* that, in fact, the average prices of the last five years have proved quite inadequate, in spite of large crops in America, to draw to this country sufficient cotton to enable our actual machinery to work full time. Higher prices. therefore, *must* obtain in future; nor should spinners and manufacturers wish it otherwise; for experience has fully shown them that no circumstances can cause them so great or so certain a loss as an inadequate supply of the raw material, and higher prices can alone avert this supreme evil.

So much as to the probable sufficiency of the supply of the raw material to this country, *on the supposition that the consumption is what it appears to be, and will continue what it is.* But are we justified in these two assumptions? Let us put together a few facts which bear upon the question.

And, first, let us ascertain what the actual consumption has been during the last ten years. We know this with accuracy for nine years, and for the first ten months of this year. During these ten months, the deliveries to the trade have reached 1,495,000 bales. But we know that, during the latter portion of this period, manufacturers have been purchasing far more than they need for actual use, and that, while the actual quantity worked up has, in consequence of a general tendency towards the production of finer fabrics, been *decreasing* since the beginning of June, the purchases of cotton have been *increasing*, till, in October, they reached the unprecedented amount of 217,000 bales. A lull has now taken place, and we believe we shall not be far wrong in assuming that the purchases of the trade, during the last nine weeks of this year, will not exceed 205,000 bales; and that, in that case, they will hold at the end of the year 50,000 bales more than usual in stock. This would give the consumption of the year at 1,650,000 bales. Our own impression is, that this estimate is rather over than under the mark, and that spinners hold a larger stock than we assume; but, in any case we cannot be sufficiently wide of the truth to affect our conclusions.

Year.	Weekly consumption of cotton in Great Britain.
1840	24,868
1841	22,134
1842	22,949
1843	26,693
1844	27,439
1845	30,120
1846	30,000
1847	21,270
1848	28,950
1849	31,730

Now, we wish our readers to consider this table carefully, and notice the extraordinary *fluctuations* in the quantity of cotton worked up each year, in connection with the facts we are about to state. The weekly average fell nearly 3,000 bales from 1840 to 1841; then jumped up nearly 4,000 bales from 1842 to 1843; in 1845 and 1846, it remained stationary at a high figure; and (passing over for obvious reasons the anomalous year of 1847) it had again fallen in 1848, when the quantity only exceeded that of *eight* years previously by 4,000 bales. *Yet, during the whole of this period, the machinery engaged in the cotton manufacture was constantly*, though not regularly, *increasing;* and, except for a short period in 1842, (and in 1847, which last year we have thrown out of our calculation,) the mills were, we believe we are correct in stating, all at full work. Indeed, "short time" is attended with too tremendous a loss to the mill-owner ever to be resorted to, except under the direst pressure. During the last year, we see the consumption has increased nearly 3,000 bales a week, though the hours of labour have been reduced, by legislative enactment, from eleven to ten per diem.

All these considerations point clearly to the conclusion, that *our consumption of the raw material is not a fixed, but a varying quantity*, and is affected by some other causes than either the amount of machinery in operation, or the hours during which it is employed. What this cause is, and the extent to which it is capable of operating, we can be at no loss to discover.

The weight of raw cotton consumed by a given amount of machinery varies according to the nature of the article produced. We produce in England fabrics of which the raw material forms *two-thirds* of the value, and fabrics of which it forms not *one-fiftieth* of the value. We spin yarns of which the raw materials cost *three-fourths*, and yarns of which it costs *one-twentieth*, of the finished price. We have spindles that produce two pounds of yarn a week, and spindles that do not produce two pounds a quarter. But, without going to these extreme varieties, we will here copy a statement made by Messrs. Du Fay & Company in their monthly circular, the accuracy of which we can fully confirm. They say:

840 spindles,	working	20's twist,	will consume	1,340 lbs.	of cotton
840	"	30's "	" "	840	"
840	"	40's "	" "	525	"
840	"	60's "	" "	224	"

Now, though machinery accustomed to produce No. 20's cannot produce No. 60's, yet it can, without material change or difficulty, produce No. 30's; and machinery adapted for No. 30's can change to No. 40's, and so on. In fact, every mill has a range of *at least ten numbers*, by varying which it can reduce or augment its consumption of cotton *easily* from 25 to 50 per cent. The same may be said of weaving mills. In many mills, looms may be seen working side by side of the same construction, some of which produce 60 lbs. a week, and others only 25 lbs. We could mention at least one mill where the amount of raw cotton worked up weekly varies, according to the fineness of the article produced, to meet the fluctuating demands of the market, from 30,000 lbs. to 18,000 lbs.; and we find in the *Manchester Guardian* of last Saturday the following corroborative statement:

"Some idea of what a change of numbers will effect may be gathered from the following instances; the names of the firms are before us:

	Reduction.		Previous weekly. consumption.
No. 1	10,000 lbs.	out of	40,000 lbs.
No. 2	18,000 lbs.	—	60,000 lbs.
No. 3	25,000 lbs.	—	115,000 lbs.
No. 4	10,000 lbs.	—	30,000 lbs.
No. 5	10,000 lbs.	—	30,000 lbs.
No. 6	70 bls.	—	120 bales.

We have been informed by another very extensive spinner, that the reduction in his establishment is more than 40,000 lbs. per week."

It is not easy to ascertain the extent to which this change from coarser to finer numbers is actually carried at any particular period. We know, however, that it does go on to a very great extent, and has done so, perhaps almost unprecedentedly, during the last six months; and, when we consider the immense proportion of the *weight* of cotton used in England, which is consumed by the makers of heavy cloths and coarse yarns, we think we may safely affirm that a *brisk* demand for printers, shirtings, and India yarns on the one hand, with a *dull* demand for domestics, long-cloths, and German yarns on the other, or a reversal of these conditions of the market, if continued for any time, will make a difference of at least 25 per cent. in the weight of raw cotton consumed.

Now, an advance in the price of cotton is much more strongly felt in the coarser yarns and the heavier cloths than in the finer ones. An advance, such as has taken place in the last twelve months, of nearly 3*d.* per lb. on the raw material of a stout calico which ordinarily sells in the finished state, at 8*d.* per lb. is nearly 40 per cent. on the manufactured article. On a printing cloth, or a fine shirting, which sells at 12*d.* per lb. it is only 25 per cent.; and on the piece *when printed*, it is far less than this—in fact a mere trifle. Or, to put it in a still clearer light, an advance of 3*d.* per lb. on a heavy domestic calico, will compel the purchaser to pay 4*d.* where he formerly only paid 3*d. per yard.* The same 3*d.* per lb. will be 15*d.* on a piece of printing cloth 30 yards in length, which, when printed, sells in the shops at about 12*s.* 6*d.*; in other words, it will raise the price to the customer from 5*d.* to 5½*d. per yard.* Now, this advance, which is only ten per cent., is not sufficient materially or rapidly to check consumption; the other advance, which is 40 per cent., is. It is clear, therefore, that an advance in the price of the raw material will check the demand for, and consequently the production of, heavy fabrics, much sooner and more decidedly than that of light ones. Accordingly, as the following table will show, *the range of prices* is more limited in the former than in the latter; and never keeps pace with, or nearly so, that of the raw material:—

	Price per lb. of the following articles in November.					Extreme range.
	1845.	1846.	1847.	1848.	1849.	
	d.	d.	d.	d.	d.	d.
Raw cotton, fair uplands	4½	6	5⅛	4	6½	2½
No. 20's water twist, good seconds	9	8¼	7¾	6¼	8½	2¾
No. 40's mule twist, fair seconds	10	9¼	8¼	7	9½	3
Stout domestics, 18½ lbs. for 60 yds.	9¼	9¼	9¼	8	8¾	1¼
Medium domestics, 12 lbs. for 60 yds.	11¾	11¼	9¾	9¼	10	2½
Printing cloths, 27 in. 72 reed, 5 lbs. 2 oz.	13	13¼	12¼	10¾	14¼	3½

It is obvious from this table that while printing cloths have a range of price even exceeding that of raw cotton, and find no difficulty, where there is a reasonably brisk trade, in following its fluctuations, the very reverse is the case with heavy domestics, into which a very disproportionate bulk of the raw material is worked up, when compared with the machinery employed. For these last-mentioned articles there is a very extensive demand *at low prices;* but with any material advance, this demand immediately falls off. A great proportion of them is exported in the form of T cloths and long-cloths to Portugal, the Mediterranean, and the Levant, as long as prices range about 8*d.* a lb.—when it approaches 9*d.* this export is almost wholly suspended, and the manufacturers who ordinarily supply it, are compelled to turn their attention to other fabrics.

Another cause contributes to this change. In unprofitable years, such as always occur when the raw material is deficient in quantity and has rapidly become enhanced in value, (as in the present year,) every manufacturer is of course anxious both to minimize his loss, and to make his capital go as far, and last as long, as he can. It is evident that this will be best effected by turning his machinery to the finest range of numbers it is fitted to produce, and working up (say) 20,000 lbs. instead of 30,000 lbs. of cotton weekly. Moreover, in years when trade is dull, and when manufacturers, from inability to sell, are compelled to accumulate stocks, the same inducement to produce as fine fabrics as possible is still more strongly felt. A manufacturer with 500 looms on light printing cloths can afford to hold a stock of 50,000 pieces, or four months' production, but a manufacturer with 500 looms must have a much larger capital who can afford to hold 25,000 pieces, or four months' production of heavy domestics. In round numbers, the first would have 12,000*l.* and the second 18,000*l.* locked up.

From a combination of all the above considerations—from observing that this change from coarser to finer fabrics has often occurred in the past—from knowing how easily, and to what an extent, it may be effected—and from perceiving the vast inducement which such a rise in the value of cotton as has recently occurred offers to this change—we feel no doubt that such change has, during the last six months, been carried to a far greater extent than is generally estimated; and we question whether the actual consumption is at this moment within 5000 bales per week of what it appeared to be in May last, nor within 3000 of what it actually was. We feel convinced, too, that with our present and future prospects as to the supply and price of the raw material, as developed in the early part of this paper, our manufacture must run more than it has done of late years upon the finer yarns and fabrics, and consequently that our consumption of cotton (till the supply from miscellaneous quarters has been greatly augmented) must tend to *decrease* rather than otherwise, notwithstanding the increase and improvement of machinery; that (to sum up the whole) *those speculators who refuse to believe in a diminished consumption, and those manufacturers who refuse to face the fact of an inadequate supply, will find themselves equally in error, and in danger.* We particularly call the attention of the latter parties to the consideration that the better or worse accounts of the coming American crop in no degree affect our argument. We have assumed it at 2,350,000 bales—the highest estimate being 2,400,000 bales.

There are yet other reflections which tend to corroborate this conclusion. We are not without indications that we have over-estimated and outrun the demand for the manufactured article from our existing markets, as much as we have outrun the supply of the raw material from existing sources. It is probable that the world's requirement of cotton goods about keeps pace with the world's growth of cotton wool. But unfortunately our machinery has increased faster than either. We can produce more calico than is wanted, and we can consume more cotton than is grown. We think that, in endeavouring to ascertain this, we may safely take the data of the last five years as our basis, since, though the demand for our manufactures has in that period been checked by a tremendous political and commercial convulsion, yet on the other hand it has been increased during a portion of that time by an unexampled expenditure among the working classes, (in the form of wages to railway labourers and others,) and the supply has been checked by one of the most deficient cotton crops known for many years.

We have constructed the following tables with the greatest care, and from the best information we can obtain. We believe they will be found essentially correct —

No. 20's Water twist.

	Price of cotton per lb.	Cost of workmanship and waste.	Total cost.	Selling price.	Profit.	Loss.
	d.	*d.*	*d.*	*d.*	*d.*	*d.*
1845	4·25	3	7·25	9	1·75	—
1846	6	3·25	9·25	8·25	—	1
1847	4·7	3·1	7·8	7·8	—	—
1848	3·6	3	6·6	6·25	—	0·35
1849	6·25	3·20	9·45	8·45	—	1

No. 40's Mule twist.

	Price of cotton. d.	Cost of workmanship and waste. d.	Total cost. d.	Selling price. d.	Profit. d.	Loss. d.
1845	4·5	4	8·5	10	1·5	—
1846	6	4·2	10·2	9·25	—	0·95
1847	5	4·1	9·1	8·25	—	0·85
1848	4	4	8	7	—	1
1849	6·5	4·2	10·7	9·25	—	1·45

The prices here given are those of November in each year, both in this and the subsequent tables.

Stout Domestics.

	Price of cotton per lb. d.	Workmanship and waste. d.	Total cost. d.	Selling price. d.	Profit. d.	Loss. d.
1845	3·75	4	7·75	9·25	1·5	—
1846	5·6	4·2	9·8	9·36	—	0·5
1847	4·25	4	8·25	9·25	1	—
1848	3·25	3·35	7·1	8	0·9	—
1849	5·7	4	9·8	8·75	—	1·05

Medium Domestics.

	Price of cotton per lb. d.	Workmanship and waste. d.	Total cost. d.	Selling price. d.	Profit. d.	Loss. d.
1845	4·25	5·50	9·75	11·75	2	—
1846	6	5·75	11·75	11·25	—	0·5
1847	4·75	5·25	10	9·75	—	0·25
1848	3·65	5	8·65	9·25	0·6	—
1849	6·45	5·5	11·75	10	—	1·75

In estimating the second column in all these tables, we have taken into account both the economy, in the cost of workmanship, where there has been any, and also the variation in the waste owing to the varying price of cotton, which will account for the slight fluctuations observable.

Printing Cloths.

	Price of cotton. d.	Workmanship and waste. d.	Total cost. d.	Selling price. d.	Profit. d.	Loss d.
1845	5	6·85	11·85	13	1·15	—
1846	6·5	7	13·5	13·25	—	0·25
1847	5·5	6·75	12·25	12·25	—	—
1848	4·5	6·5	11	10·75	—	0·25
1849	6·25	6·75	13·5	14·25	0·75	—

It is important to observe that the experience of isolated *individuals* will not invalidate the conclusions of these tables, which show the margin between the raw material and the manufactured article *at the prices of the day*. These prices vary much during the year; and a manufacturer who has laid in his cotton at the cheapest time, and made his contracts of sale at the dearest, may realize a profit, though the general trade incurs a loss. The only case in which these tables may lead to an incorrect conclusion is, where the relative prices in *November* are not fair representatives of the average prices of the year. In the year 1847 this was the case, the margin between cotton and yarn, or cotton and cloth, being much *greater* in November than during the chief part of the year, and the *loss* consequently far *less*. The average of that year left a large loss on all articles.

From these tables it would appear—as indeed has been well known to all connected with the trade—that our cotton-spinners and manufacturers on an average, and with a few exceptions, have been carrying on their works to a loss, ever since 1845. This has occurred during a period in which the price of the raw material has fluctuated upwards and downwards at least 40 per cent. Now can it be supposed that they would have encountered the impossibility, which it is evident they *have* encountered, of obtaining remunerating prices, if they had not produced more than our actual markets can, on an average of years, take off?

At the beginning of this year, great expectations were entertained of our home demand. It was argued, and with good reason, that we never yet had a year of general employment and low prices of provisions combined, which was not also a year of very large domestic consumption of manufactured fabrics. This year labour has been in very brisk request, and food has never been so cheap and plentiful since 1836. Yet our expectations from these facts have not been fully answered. The sellers of printing cloths and medium shirtings report that their home demand has, on the whole, been good; the sellers of domestics report, on the contrary, a decidedly dull business, worse than that of last year; but we believe all agree that the anticipations with which they began the year have by no means been realized. We suspect the cause to be this:—The depreciation in railway property, the effects of the Irish famine, and the commercial crash in 1847, have impoverished all classes of the community to a much greater extent than has been allowed for in the calculations of our tradesmen. We question whether "the power of purchase," on the part of the British community, is nearly equal to what it was in 1845. One fact alone may enable us to guess at the degree to which its aggregate means of expenditure must have been reduced. In round numbers, the sum *actually expended* in railways is 210 millions: their *actual value* at the prices of the day does not exceed 100 millions; and many of them pay little or no dividend.

Let us now sum up the conclusions which our tables have solved:—

1. Our supply of cotton has materially fallen off during the last few years, and will not increase except under the stimulus of much higher prices than have (till the last few months) obtained.

2. That under such ranges of prices our consumption will not maintain its present apparent rate, (or say 32,000 bales a week,) whatever be the increase or improvement of machinery.

3. That, except under the stimulus of low prices, our existing markets *cannot* take off as much as our machinery *can* produce.

4. That the practical deductions pointed to by these facts are two—*first*, a permanent tendency towards the production of finer fabrics; and *secondly*, a check to the increase of mills and machinery—of our producing power—that is, till the increased supply of the raw material on the one hand, and an increased consumption of the manufactured product on the other, shall once more have restored the balance."

It is here stated that the consumption of the last five years is greater by 3600 bales per week than in the previous five, but it is not shown whence this cotton came. The whole quantity retained for consumption in the second period is less by 269,000 bales than in the first, and yet the consumption is said to have been greater by 187,000 per annum, or a total quantity of 935,000 bales, which added to the deficiency in the quantity retained, would make 1,200,000 bales. The stock of American on hand at the close of 1849 was less by 400,000 bales, and that of other descriptions may have been reduced 250,000; but even this leaves 550,000 to be accounted for. It is scarcely possible to examine the figures given in this paper without arriving at the conclusion that the consumption is exaggerated.

Admitting, however, all that is claimed, I will now proceed to show how large a portion of this increase has resulted from the existence of *protection* elsewhere. It has been shown* that our import of cotton goods in two years, ending June 30, 1843, the period of *almost free trade*, was very small, the average having been but $7,184,000. If, now, to this we add the increased import of the year ending June, 1844, we obtain an average of about . $9,000,000
From June, 1844, to June, 1849, the average was about . 16,000,000
During one-half of this period the tariff of 1842 was in existence, and during more than half of the balance, that of 1846 was almost altogether inoperative—and for the balance of the time the duty has been thirty per cent. Nevertheless, the amount *imported*† has been almost double, and the excess is not less than three-fourths of a pound per head, making an average of about 35,000 bales per annum.

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* Page 394, *ante*.

† By reference to the tables in Chapters II. and III. it will be seen that much of these imports in the last two years was obtained in exchange for certificates of debt, and therefore deducted from the amount of import as there given, the object in constructing those tables having been that of showing what was the *power of consumption* resulting from the *power of production*, not that which resulted from the impoverishing system of buying goods on credit.

The average import of yarn into the other protected country, the *Zoll-verein*, from 1837 to 1841, was 351,000 quintals. That of 1843 was 475,000, and the average from 1840 to 1844 was probably about 440,000. In 1845 it was 574,000. Taking that as the average from 1845 to 1849, as it appears to have been,[*] we have an excess of 134,000 cwts. of yarn, equal to 40,000 bales of raw cotton.

The two together make 75,000, which, being deducted from the excess consumption alleged to have taken place, leave 112,000, and the account will now stand thus . . .

1840–44	annual average	1,290,000
1845–49	" "	1,402,000

showing an increase of little more than *eight* per cent., while the low prices of the second period have been lower than those of the first by *twenty-five* per cent. It is obvious that the increase, trivial as it has been, *among the unprotected consumers*, has been obtained at the cost of the planter, and that the amount collected from the population of England and that of the world at large for his use, was greatly less in the second period than in the first. The consumption of American cotton in Great Britain, in the present year, is estimated at only about 1,100,000 bales, being little more than it was ten years since, when the average price was as high as at present. It is clear from this the market of England cannot be made to grow in such manner as to keep pace with our production. Why it cannot, and will not, may, I think, readily be shown by an examination of the operations of the past year, in which there has existed no railroad speculation, no famine, no potato-rot, and in which, on the contrary, every thing has tended to produce a perfect realization of the anticipations of the most sanguine friend of the existing system.

The total value of exports of the kingdom for the ten months ending November 5, 1849, was	£49,400,000
The total of grain, and flour and meal as grain, imported in the same period, was 10,300,000 quarters, which, at an average of 36*s*. per quarter, would amount to about £18,500,000, and with 43,000 tons of potatoes, to about	18,600,000
The number of oxen, bulls, cows, sheep, &c., 144,000, say	150,000
Of bacon, beef, pork, hams, butter, cheese, and lard, 1,500,000 cwts., which at 30*s*. would be	2,250,000
Grand total of commodities now imported, but with which the people of the United Kingdom supplied themselves almost entirely only a few years since .	£21,000,000
Deducting these, the amount of exports remains . .	28,400,000
The exports of cotton manufactures and yarn (£5,833,000) amounted to £22,550,000, and if we estimate the cotton required for their production at three-eighths of this amount, we obtain as its value	8,500,000
The wool imported to be manufactured and exported amount-	

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[*] The export of yarn to the ports through which Germany is supplied, in four of those years was as follows :—

	1845.	1846.	1847.	1848.
Belgium, lbs. . .	3,917,000	5,359,000	3,520,000	3,168,000
Holland " . .	21,556,000	24,662,000	16,206,000	18,877,000
Hanse Towns, &c. .	40,315,000	45,041,000	36,123,000	32,910,000
Total lbs. .	64,788,000	75,062,000	55,849,000	54,955,000

ed to nearly 60,000,000 of pounds, which, at a shilling a pound, would be	3,000,000
The flax imported was 1,553,000 cwts., and the average price being 32*s*., the amount is	2,500,000
If we now add for the hides, timber, copper ores, Swedish iron, block-tin, brimstone, indigo and other dye-stuffs, silk, sugar, gold, silver, quicksilver, and other foreign materials included in this vast amount of manufactures exported only	2,500,000
We obtain as the total of foreign raw materials exported	£16,500,000
leaving as the value of the products of the labour and land of England exported in ten months	£11,900,000
or per annum	£14,280,000

being at the rate of 9/6 = $2·28 per head, to be applied to the purchase of cotton, sugar, coffee, tea, silks, dying materials, timber, and all other articles of necessity or of luxury required for domestic consumption, grain, potatoes, live animals, and cured provisions alone excepted.

If the reader will now compare this statement with those of other years before given,* he will, I think, have no difficulty in satisfying himself that "the power of purchase" of the people of Great Britain is in a state of rapid diminution, and that to that fact is due the distress existing among her people.

It will be said, however, that she *does* consume much more than this amount. She does, and how she is enabled to do it, I propose now to show. Thus far, however, the accounts of the various periods are made out precisely alike, and answer for the purpose of comparing the present with the past.

It will be seen that the prices of all the articles I have particularized would be low even here. Of the grain, nearly three-fourths are wheat or wheat flour, and the price is but 4*s*. or 88 cents per bushel, delivered in England. The bacon, beef, pork, lard, and butter are at 6¼ cents per pound, also delivered in England. The flax is at seven cents per pound. The wool is at a shilling, and the cotton supposed to be about 5½*d*. per pound. These are prices at which we should not desire to deliver the same commodities at New York or Philadelphia, on their way to Liverpool. Nevertheless, Great Britain obtains all these, and immense quantities of other commodities in addition, *and yet brings us largely in debt on the year's business.* She uses sugar valued at £5,000,000. Large quantities of cotton, silk, hemp, and hides, are consumed at home. Her consumption of tea is 40 millions of pounds. Of timber she consumes a million of loads, and the price of Canada red pine is £3 per load. How does she acquire the power to do all these things?

The cotton that comes from Bombay, as stated above, frequently yields to the shipper at that place but a penny per pound, which will not defray the cost of transportation from the place of production to the place of shipment, leaving nothing whatever for the cost of production, and yet the poor producer pays to the Company heavy taxes for the use of that land, which taxes are remitted to England for the payment of expenses, pensions, dividends, &c.

The sugar from the Mauritius sells for 22*s*. per cwt., or 2⅜*d*. per pound, a price that cannot yield the shipper much, if any thing, more than a penny per pound. The producer receives almost nothing. It was shown by the accounts of several large houses, owners of real estate in that island, that for years the estates received nothing whatever. So is it with Canada, and her lumber.

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* See page 57.

The charges upon all commodities that pass into England are immense, and they cannot be otherwise. The producers are few, and the consumers are many, and the latter must be supported by the former. Wherever four families must eat and but one raises food, the share that falls to the former must be small, and therefore it is that the farmers and planters of the world are kept so poor.

With every step downward the operation of the system tends to become more severe. A penny taken out of a pound of cotton that sells for a shilling, is a trifle, but a penny out of 3*d.* falls heavily. When cotton is high, it sells rapidly and the charges are few. When the crop is large and it sells slowly, the charges are numerous. So is it with sugar, tobacco, rice, and all other of the products of the earth. With the diminishing power of consumption prices universally have diminished, while the necessity for advances, storage, &c., has increased, giving to the exchanger power to take for himself not only a larger *proportion*, but a larger *quantity* than before. Hence it is that Great Britain is enabled to consume so much while producing so little.

Diminish her power of taxing the planters and farmers of the world, and it will speedily be seen that the power of consumption that even now exists results from the ability to throw upon others the burden that she should bear alone. The *Economist*, a journal not to be suspected of exaggerating the evils of the present state of things, expresses its belief that "the power of purchase" on the part of the British community *is not nearly equal to what it was in* 1845.* That such is the case there can be no doubt, and that the power of purchase must continue to diminish with further diminution in the power of production, is quite certain.

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* This same journal *but a fortnight before* assured its readers that "ever since there had been a reduction of the duties of the sliding scale, and a probability that the corn laws would be abolished, the farmers have steadily improved their cultivation and produced more." If production has increased, how is it that the power of purchase has decreased? If the power of purchase has decreased, how are the people enabled to purchase all this *supposed* increased domestic product, and the enormous quantity that is imported? The power of consumption and that of production go hand in hand with each other, and if "the power of purchase" has diminished, as it unquestionably has, it is because the power of producing things *with which to purchase* has declined.

Much of the diminution in the "power of purchase" is ascribed to the railroad speculation, but it is difficult to see how that should have produced any such effect. Under it much property changed hands, but the actual expenditure was merely the cost of grading and laying the roads, and it cannot be doubted that the labour that has been saved by means of the use of the roads has been quite equal to the amount expended. The price paid for land, and the fees to parliamentary agents, &c., were merely transfers from the pocket of one man to that of another, and could not have impaired the "power of purchase." The railroad speculation produced the roads, and existing as they do, they tend to increase the power of production and consumption. It is necessary, therefore, to look elsewhere for the causes of the state of things now existing in England. They are to be found in the *necessity* for competing with the lowest priced and most worthless labour of the world. The results of that necessity are exhibited in the following facts, which will not only account for the present diminution in "the power of purchase," but relieve us from difficulty in accounting for future diminutions.

"It appears from a parliamentary return, that the holders of farms, who in 1845 were 310,000 over the Emerald Isle, have in 1848 sunk to 108,000. *Two hundred and two thousand cultivators of land* have disappeared in three years, and with them at least half of the capital by means of which the land was made to produce any thing."—*Blackwood's Magazine, December*, 1849. The bank-note circulation of Ireland, which in August, 1846, was £7,500,000, had fallen in August, 1849, to £3,833,000.—*Ibid.* The poor rate of Ireland, which in 1846 was £200,000, has risen to £1,900,000. That of Scotland has risen in three years from £185,000 to £560,000. In Glasgow, anterior to 1846, it was £30,000. In 1848–9, it was £200,000. The number of paupers in 1845–6, was 7,454. In 1847–8, 51,852. The railroad tolls of 1845 averaged £2,640 per mile In 1849, £1,780.—*Ibid.*

We see that, notwithstanding low prices for grain, the imports are immense, averaging more than nine millions of our bushels per month. Will this continue? In answer, the domestic crop of this year has not failed, nor have there been any reasons why the export from the grain-producing countries of the world should be larger than usual. We are assured that Russia can supply fifty millions of quarters annually, and that much of it is now wasted for want of a market. She has now a market, *and so long as a bushel of wheat will yield to the producer the price of a yard of cotton cloth, he will accept even that rather than waste it.* We are assured that he cannot afford to raise it at any such price, but what else can he do? Deprived of other employment for his time, he must raise food for himself, and with the surplus purchase clothing, even if he have to starve himself to obtain the little that he wears. The error of English writers consists in assuming that there is such a thing as a necessary price. The poor labourer in India, we are assured by this same writer, obtains for his cotton no more than *the mere rent of his land*, leaving nothing for his labour, yet he still cultivates cotton to exchange for the yard of cloth with which he covers his loins.

The people of England first inflicted upon themselves a *necessity* for competing with the "cheap" labour of India in the manufacture of cottons. That produced a *necessity* for competition with the "cheap" labour of Russia in the production of food, the consequences of which are thus described in the recent quarterly report of the Registrar-general:—"The population of England has *suffered, died, and decreased, during the quarter, to a degree* of which there is no example in the present century." Emigration has gone on so rapidly, and so much in advance of immigration, that "England has now less inhabitants by several thousand than were within her shores at midsummer."

The system tends to increase man's *necessities* and to diminish his *power*. It is here shown how enormous was the difference in the prices of cotton in the two periods, and we may now look to see whether the price of cloth and iron changed therewith. From 1840 to 1844, the average price of a piece of gray cotton cloth was 6*s.* 7*d.*; from 1845 to 1849, it was above 6*s.* Here is a reduction of ten per cent. to set off against changes of 40 per cent. The average price of iron in 1845, 1846, and 1847, was 50 per cent. higher than that of the four previous years; and thus, while the cotton was lower than before, the thing which, of all others, the producer of cotton desires to use, was vastly higher. He was steadily giving more and receiving less, and it is no matter of surprise that his power of production diminished and his condition steadily deteriorated.

To this it is due that the power to pay for cotton cloth on the part of the people subjected to the system is steadily diminishing, and that "the consumption cannot be maintained." Nothing, "we are assured, but the stimulus of low prices" will enable "the existing markets" to take off the produce of the machinery of England; and, to secure a supply at low prices, every English writer on the subject is looking for what is called "cheap labour." That of the Zooloos may be had at 10*s.* per month, and Natal is advantageously situated for maintaining "competition with the States."

The "practical deduction pointed to by these facts," and that which most interests the planter, is that there must be "a check to the increase of mills and machinery," until "the increased supply of the raw material" shall bring down the price of cotton to the level of the powers of the consumers, or until "the power of purchase" shall rise to a level with the existing prices. That the latter, among the *unprotected* communities of the world, has steadily declined, during a long series of years, is obvious, and there exists no reason for supposing that the future will be different from the past. The only remaining mode of "restoring the balance" is that of reducing cotton to the level of *a constantly diminishing "power of purchase."*

That it will be so diminished, unless the planters can determine to help themselves, there can be no doubt. The men who have heretofore raised sugar and coffee are now about to turn their attention to cotton, as likely to be more profitable than either. The people of Jamaica have been forced to abandon coffee, and sugar cannot, as their journals inform us, be any longer profitably cultivated. Why it cannot, the *Economist* informs us.

The same number, from which the above long extract is made, informs us that the sugar market is "drooping," the "expectation of a large additional consumption not having been realized." The consequence is seen in the fact, that the sugar of the distant Isle of France is quoted at 22*s.* 5*d.* per cwt., being two and two-fifth pence per pound, yielding to the shipper, after paying freight and charges, about as much as the cotton above stated to have been shipped from Bombay, to wit, one penny, and to the producer, on his plantation, but little more than is necessary to pay his rent. Under such circumstances, the labour of the people of the Mauritius becomes "cheaper," and may ultimately become as "cheap" as that of the Zooloos.

Thus is it everywhere. The late cotton planter of Alabama is trying sugar, and the sugar planter of Jamaica is determined to try cotton, under an impression that "a sufficient supply is not yet raised to meet the demand which exists for the article." The real cause of difficulty is, that the cotton planter and his neighbours are unable to obtain one-third as much sugar as they would desire to consume, and the sugar planter is unable to obtain one-third as much cloth as he would desire to consume, because the cost of both *in labour* is so greatly enhanced by the necessity for making their exchanges in the distant market of England. Were both determined to make a market on the land for the products of the land, each would obtain in return for the same quantity of labour thrice as much as now; whereas, if they continue to maintain the monopoly system of England, they must obtain even less than now, little as it is. Among the planters of the world, there is perfect harmony of interests, and those of all are to be promoted by the adoption of a system that shall tend to raise the value of labour, thereby enabling the man of Ireland, who now consumes one pound of cotton, to become the man of America, consuming a dozen or twenty pounds.

The object of every effort at maintaining in existence this great monopoly of machinery is that of preventing increase in the value of labour and land throughout the world, that commodities may be had "cheap." How great is the power exercised for this purpose, will readily be seen by all who study the sliding-scale system, by which consumption is diminished with any small advance of price, and the tendency upwards thus counteracted. The existing consumption can be maintained only at the present minimum prices, and the reason why it can only be so maintained is, that "cheap" cotton and "cheap" sugar make the *labour-cost* of cloth and iron so great that the poor cultivator of those "cheap" things cannot afford to purchase either. Dear as is the cloth to the consumers, and little as the cotton has yielded to its producers, the manufacturers have, we are assured, been working at a loss during nearly all those five years, and the profits are set down at only 1½*d.* per pound in 1845, designated by Messrs. Rathbone, in their circular accompanying the diagram given at page 75, as one of "enormous profits to manufacturers." The differences in the prices of both cotton and yarn as here given, from those given by Messrs. R., are sometimes remarkable. The cost of converting a pound of cotton into yarn No. 40, is also remarkable, and must embrace many allowances for wear and tear, management, &c. A mill in this neighbourhood, at work upon No. 35, converts *into cloth* above a million of pounds, with the labour of 300 persons. The average wages of England are under 30*l.* per head, and this would give 9000*l.*, or about two millions of pence, *for wages of labour* required for converting a million of pounds into cloth, or two pence per pound. Notwithstanding this unceasing succession of losses, there has been, as we are assured, a constant increase of machinery for doing the work, while the whole increase of consumption is trifling. It is difficult to reconcile these statements.

Less difficult is it to ascertain what is the policy of the planter. *It is to break down the monopoly and bring the machinery of England to the cotton fields*, and there it will come whenever the producers of food and cotton shall declare to the world that it is their fixed policy *to extend the consumption of cotton by enabling themselves to supply it cheaply to the consumers,* a work that is to be accomplished by freeing themselves from the control of those who now live, and move, and have their being, by means of standing between the producer and the consumer, impoverishing the one so that he cannot continue to produce, and the other so that he cannot continue to consume.

It cannot fail to strike the reader as singular, that the clever writer of this article supposes that the system which destroys cultivation in India and Brazil has no such effect in this country. He assumes that we produce all we can, whereas we *know* that the great object throughout the South is to limit production, and that the producers are perpetually flying from lands that have been exhausted to seek new ones to be again exhausted, and wasting on the road more labour than would add to the crop hundreds of thousands of bales.

Had the planters eight years since determined that the loom *should* come to the cotton, the crop of this year would exceed three millions, and the price would be higher than it is now with one of two millions; for we should ourselves be consuming much more than a million, the purchasers of which would be found among prosperous makers of iron, who would be producing 1200 or 1500 thousand tons to be applied to the making of roads for the use of prosperous farmers and equally prosperous miners and manufacturers. Increase of price thus produced increases consumption, *and such is the tendency of protection.* Increase of price resulting from short crops tends to diminish consumption, and *such is the tendency of the monopoly system.* It destroys both the power to produce and the power to consume.

CHAPTER SEVENTEENTH.

HOW PROTECTION AFFECTS THE CURRENCY.

If protection be "a war upon labour and capital," it must tend to produce those disturbances of the currency that tend so greatly to diminish the return to both. If, on the contrary, it be a peaceful measure of resistance to a system tending to the oppression of the labourers and capitalists of the world, then it must tend to produce that steadiness of the currency so desirable to all, labourer and mechanic, farmer and planter, ship-owner and merchant.

The real currency of the world consists of labour and the things for which men are willing to give labour, food, clothing, fuel, iron, &c. That which is usually denominated "currency," is merely the standard by which their respective values are measured. The labourer sells the exertions of a week for five dollars, and he receives in return five bushels of wheat, also valued at five dollars. The capitalist sells a house for twenty thousand dollars, and orders the purchase of a quantity of shares of stock which, measured by the same standard, are found to be the equivalent of that number of dollars.

The price of wheat changes with the size of the crop. So does that of sugar. If the supply of wheat be large, and that of sugar small, much wheat will be given for little sugar.

The introduction of a third commodity, itself liable to variation in the supply, as is the case with money, tends to produce additional variations in the quantity of one commodity that must be given for another. Thus, if the supply of money be large among one set of wheat raisers, and small among another, the raiser of sugar will sell in the first and buy in the last, obtaining much money from the one and giving little to the other.

Were all arrangements for the production, purchase, or sale of commodities or property executed on the instant, this cause of disturbance would scarcely exist, because the prices of all would be similarly affected, being high when money was plenty, and low when it was scarce, and the quantity of sugar to be given for wheat, or wheat for sugar, would depend upon the size of the crops almost as completely as if no intermediate commodity were used. Such, however, is not the case. The merchant buys coffee in January, and contracts to deliver its equivalent in money in July, at which time money may be so scarce that six pounds of coffee will command no more than would have been done in January by four pounds. The merchant commences to build a ship in July, when money is scarce and the price of labour is low, and he finishes it when money is plenty and wages are high, and it costs him ten, fifteen, or twenty per cent. more than he had calculated upon. The little trader, on the contrary, who buys and sells from day to day, loses nothing. If he buys high he sells high, and if prices are low to buy, he makes them low to sell, and the measure of his business is the measure of his profits.

The great sufferers by such variations are those the nature of whose property, or the character of whose business, requires them to make arrangements far ahead, and to take the risks incident to changes in the currency for the whole period that elapses between the commencement and the conclusion of an undertaking. Such are all the persons the products of whose labour are not intended for immediate consumption—the owners of houses, farms, factories, furnaces, railroads—all, in fact, connected with the improvement of land. In a time of pressure for money in one place, flour, cotton, cloth, and other articles intended for daily consumption, may be transferred to other places where money is plenty, and the changes in their prices are therefore small when compared with those which are experienced by the possessors of property that cannot be transferred, and is therefore obliged to bear the whole burden of the change. In such cases land becomes entirely unsaleable except at an enormous reduction of price, to which its owners must submit if they are placed in a position to render sales necessary, and thus it is that so many persons connected with land and its improvement are ruined by revulsions that affect but in a slight degree the operations of the retail grocer.

Such, likewise, is the case with labour. The man who has a family and finds no demand for his labour cannot change his locality. He and his family must suffer together. Food may be at a *low money-price*, but if he can obtain no employment, *the labour-price* is so high that he cannot purchase it. Land and labour, then, are specially interested in the maintenance of uniformity in the standard by which the products of both are measured, because they are the great sufferers by the changes which occur in the progress of time.

Time and distance are, in this respect, the equivalents of each other. The man who builds a house calculates upon the continuance, during the period of its erection, of the state of things that existed at its commencement, and he who remits to China to purchase teas, bases his calculations on the state of affairs that existed in that country three months previously. If money in the mean time has become more abundant, he may pay higher for his teas than he had calculated upon, and if before their arrival it becomes less abundant here, he will obtain less, and thus will reap loss instead of profit. The man who raises cotton when he might have raised sugar or wheat, bases his calculations on the state of affairs that he supposes will exist in a foreign country, and is thus forced to superadd the risks of distance to those of time. If he exchanged his products with his neighbour, both would be subject to the same variations, so far as the currency was concerned. If money were less abundant, flour, sugar, pork, cloth, and iron would feel its effects precisely as cotton felt them, and though he might obtain less money, he would have precisely the same quantity of the commodities for the purchase of which he required to have money. The proximity of the consumer and the producer tends, then, to lessen the difficulties resulting from changes in the currency by which land and labour are always the chief sufferers.

The object of the colonial system was that of compelling the farmers and planters of the world to make their exchanges in a distant market, and thus to *increase the time* within which such risk must be borne, *adding thereto* all those which result from *distance*. When the Hindoo exchanged his cotton on the spot for cloth, the prices of cotton, cloth, and labour were governed by the same circumstances, for the exchanges were made on the instant. To make his exchanges now, two years' time are required, and he is, during all that period, subject to the risk of changes like those which have marked the years 1847 and 1848. His pursuit is rendered one of mere gambling, without the advantage of holding his own cards, although bound to pay the losses.

All the losses he and his fellow-planters *do pay*, as will be seen by those who will study out the working of the system. The cotton, the wool, the sugar, and the food of the world are sent to England for exchange. Her people buy and sell on the instant, the time that is required to elapse between the purchase of the wool and the sale of the yarn not exceeding a single week. If yarn fall, so does cotton. If cotton rise, so does yarn. The whole loss from changes of currency resulting from time and distance is thus thrown upon the planter. The whole gain resulting from the diminution of the risks of both goes to the proprietor of the small and easily transported spindle, the cost of which is as nothing when compared with the cost of the great machine required for producing the wool.

The nation that thus desires to compel all the other nations of the world to bring to her their products, that they may there be measured by her standard, ought to be able to show that it is one the length, or the contents, of which must, under any and every circumstance, remain unchanged. The standard of weight and that of length are fixed and unchangeable. So should be that of value. Far, otherwise, however, is it. The control of that great and important standard for the measurement of the values of the world is placed in the hands of the bank of England, the directors of which have proved their utter incompetency for the important business delegated to them by bringing the institution, at four different periods within the last thirty years, within the jaws of bankruptcy. Their object is to make large dividends, and, to accomplish that object, money is, as it is called, made plenty; that is, the directors overtrade largely, and thus block up the capital of individuals who find themselves compelled to take from the bank evidences of debt (certificates of deposit) not bearing interest, when they would have preferred other evidences bearing interest, and would have obtained them at reasonable prices had not the bank commenced to overtrade. With every increase of this indebtedness, called deposits, the bank considers itself richer and overtrades further, until at length speculation is produced, railroads are made, ships and houses are built, and then the day of settlement arrives, when the bank crushes everybody in the effort to save itself. The standard of value shrinks to half, and the owner of fixed property finds himself ruined, while the planter obtains threepence where he had looked for sixpence, and the farmer is brought in debt for charges on his food where he had looked to realize a dollar a bushel.

The man of England, who buys cotton and sells yarn or cloth, suffers little from those changes. On the appearance of the first sign of change, he shortens his hours of work, or diminishes the number of his hands, and then, when the time for it arrives, he closes his mill. His work-people are thus, in whole or in part, deprived of wages, and rendered unable to purchase food or clothing, the consequence of which is diminished demand and reduced prices for both, and thus are all the losses thrown upon the farmers and planters of the world, who are ruined by the necessity for dependence on a country which desires to establish for itself a monopoly of machinery for the supply of iron and for the conversion of wool into cloth, with all of which they might supply themselves *at less cost than is now imposed upon them in each and every year.*

It is usual to attribute the disasters of the period from 1836 to 1842 to derangements in our currency, proceeding from erroneous action at home; but those who examine more carefully will find that they were themselves effects resulting from other causes, as I propose now to show.

It is usual to talk of capital as money; but money is only the standard by which commodities are measured, and a very small quantity of the one suffices to measure a large quantity of the other. The same dollar may be used a thousand times in a week, each time acting as the standard by which labour, flour, cotton, sugar, &c., have been measured. The man who has sold a cargo of sugar has acquired a credit with somebody by aid of which he may obtain a cargo of flour. The borrower from a bank has acquired a credit which he transfers to his neighbour, and that neighbour transfers it to a third, who divides it among his workmen, and by its aid they obtain food, clothing, and shelter.

Whenever the daily demand for labour and its products is equal to the daily supply, the rate of interest, or the price of capital seeking investment, will remain stationary, to the great advantage of the owners of landed and other fixed capital. Whenever, by reason of any cause whatever, the daily demand is less than the daily supply, the accumulation of unemployed capital begins. There are fewer houses built, and the consequence is, that there is less demand for labour, the price of which falls, and the power to consume food and clothing is diminished. The demand for iron and cotton is lessened, and furnaces and mills cease to be built, and the power to consume food and clothing is thus still further diminished. With each step in this progress, there is a tendency to the accumulation of unproductive capital. One man has it in the form of iron, another in that of cloth, a third in that of labour, and a fourth has it in the form of a debt due to him by a bank which pays him no interest. By degrees the iron and cloth pass off to be consumed, and, as their owners do not desire to reinvest the proceeds, they take a further credit on the bank, which still pays no interest. In this manner capital is blocked up, deposits accumulate, the rate of interest necessarily falls, and the prices of existing securities rise.

With this rise comes a desire to create more investments similar to those which still continue to pay interest, and there is a rush to seize on those supposed to possess greater advantages than others. Speculation begins, and prices run up rapidly. Having reached the zenith, the downward course begins. Thenceforward the progress is rapid, and fortunes disappear in a moment, leaving not even "a wreck behind." The capitalist, after having been for a long time deprived of interest, now loses the capital itself.

By the laws of 1832 and 1833, railroad iron, French merchandise generally, linens, and other commodities, were freed from duty. Some descriptions of woollen manufactures were reduced to ten per cent., and a general reduction was established, commencing in 1833, and increasing biennially thereafter, until there should be reached a uniform rate of 20 per cent.

The passage of these laws diminished the demand for capital to be employed in the making of iron. As they came gradually into action, there was a diminution in the tendency to build mills. In place of producing iron and cloth, we bought them on credit. Capital accumulated, and the prices of dividend-paying stocks rose. Next, companies were established for making railroads, and States made roads and canals, for which the iron and cloth were bought on credit. The difficulty of employing capital in the East caused it to seek investment in the South and South-west, there to be employed in the making of banks and roads, and there to be sunk for ever. The day of payment came. The iron and cloth had been used, and the certificates of debt given in exchange for it were abroad. The banks were heavily in debt to the persons whose capital had accumulated in their hands, and not being able to pay they had to stop, and thus commenced a period the most disastrous to the labourers and the owners of capital fixed in land, houses, and roads, that the country has ever seen.

An examination of the tables I have furnished will show that, during this period, the productive power of the country was stationary. Capital was in demand for distant speculation, but for little else. Houses, ships, factories, mills, furnaces, and all other of the modes of investment by which value is given to land, felt the effect equally, and thus, while the labourer suffered in the diminution of wages, the land-holder suffered in the diminished value of land. Had the roads and canals of 1835 to 1839 been based upon home-made cloth and iron, they would have produced unmixed good; but being made with *borrowed* cloth and *borrowed* iron, they were accompanied by a general deterioration of condition throughout the community, resulting in the disgrace of bankruptcy and repudiation.

By those who will trouble themselves to look below the surface, it will readily be seen that the state of things here described is precisely that now existing, and that the process at present going on is the same that brought ruin eight years since. Companies obtain large quantities of English iron upon securities that would not be received in this country, and when the day of defalcation shall come, as come it must, the cry of American bankruptcy will be as rife throughout Europe as it was but five years since. Scarcely a week elapses that does not bring with it a notice like the following, *and yet the quantity of iron consumed is less than when it was produced at home, and paid for in labour that is now being wasted.*

> "The agent who went to England, to purchase iron for the Great-Western Railroad of Illinois, has returned in the Cambria, with proposals to furnish the whole quantity required for the road from Cairo to Chicago, receiving in payment the six per cent. sterling bonds of the Company, payable in London."

Capital is said to be abundant, and interest is low—for those who have unquestionable securities. The reason is, that the natural outlets for capital are closed.* Iron is superabundant, and furnaces are not built. Coal is superabundant, and mines are not opened. Cotton cloth is superabundant, and mills are not built. Ships are superabundant, and the building of ships, brigs, and schooners, is diminished. We are buying on credit the cloth and iron we should be making, while the labour and capital that should be employed in their production seek in vain for employment. The heavy sufferers are, and are to be, labour and land. The broker takes his usual shave for the notes which pass through his hands, and the grocer charges his usual cent per pound on sugar, but the furnace is closed, and with it the demand for food and labour—the mine is abandoned, and the miner suffers from want of clothing—the constructor of railroads obtains no dividend, and the desire to make roads as an investment of capital has passed away, and with it the demand for labour, food, and clothing. By degrees, the same results must be experienced by every interest of the nation. The return to labour is diminishing, and the value of land, houses, ships, railroads, and every other species of property, is dependent on the extent of that return—rising as it rises, and falling as it falls.

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* It would be nearly impossible to find a mode of investment tending to produce demand for labour, in which capital could be profitably employed, and hence it is that there is so universal a demand for bank charters.

The nearer the consumer and the producer can be brought to each other, the more perfectly will be the adjustment of production and consumption, the more steady will be the currency, and the higher will be the value of land and labour. The object of protection is to accomplish all these objects, by bringing the loom and the anvil to take their natural places by the side of the plough and the harrow, thus making a market on the land for the products of the land.

Of all the commodities in use by man, there are none that contribute so little to his comfort or convenience as gold and silver. They are useless for the clearing or draining of lands, the building of houses or mills, or the construction of ships or railroads. They can be neither eaten, drunken, nor to any extent worn. Nevertheless, of all they are the two whose arrival and departure are most carefully chronicled.

Ten furnaces and rolling-mills, capable of producing in a year three millions of dollars' worth of iron, may close without producing even a passing remark from a newspaper, but no vessel can arrive or depart, with fifty thousand dollars in gold, without the arrival being noticed in half the papers of the Union.

The factitious importance thus given to the precious metals is one of the effects of the colonial system, which demands that all the commodities of the world shall be brought to one market, there to be submitted to one standard. Its effects at home have been to make every man a seller of almost all he produces, and a buyer of almost all he consumes.* "In our social system," says the accomplished traveller, Mr. Laing,† "every man buys all he sells, and sells all he produces. The very bread of our labourers," he continues, "is often bought at the manufacturer's shop." The system has converted a large portion of the little occupants into hired labourers, receiving from six to nine shillings a week,‡ and occupying poor houses in poor villages, where they are compelled to waste much of the time that would, under a different one, be employed with infinite advantage to themselves and others.*

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* "The evil of our economical system is, that too many of us live by wages. When masters suffer, the servant starves. When wages stop, he has nothing to fall back upon. When he would eat, he has every thing to buy—and, wages stopped, where has he to buy with? But the seed-time and harvest of the spade husbandman never fail him. He may lose a crop, but something is still left. When the slug takes his patch of wheat, he can kill him, or thrust in cabbages, or barley, or vetches, or something. The cow will yield her milk, whether ports are open, or discounts are raised. Take labour out of the market, and wages rise—the great body of consumers possess better means of payment, and manufacturers and tradesmen flourish by cheap food and better wages. The farmer is relieved in his rates, and the landlord gets a better rent for his land."—*The Mother Country, by Sidney Smith.*

† Notes of a Traveller, page 152, American edition. ‡ See pages 113—117, *ante.*

The man who exchanges directly with his neighbour food and labour for coal or iron, has little need of money. He exchanges labour for labour, and if the account do not adjust itself, it is frequently balanced by the transfer of the difference to the credit of another, and thus is there established in every community in which men combine their exertions, a sort of *clearing house*, quite as effective in its operations as the celebrated one of London.†

The man who sends his cotton to Liverpool or Lowell, trades altogether for money. He desires to know how much gold he can have for a bale, and how much iron he can have for a pound of gold. He uses machinery with which the others can dispense.

Whatever tends to increase the quantity of machinery required for the accomplishment of a given effect, tends to increase the friction and augment the power required for its accomplishment. Such is the case here. The *necessity* for using gold tends to introduce a new and powerful cause of disturbance in the operations of the planter, and greatly to augment the cost of them, thus increasing the friction and diminishing the effect. Gold and silver are reduced in weight by abrasion, and *for all this loss the producer and the consumer pay*. The exchanger pays nothing. He lives at their cost.

Twenty-five years since, we thought much of gold or silver, for we were then obliged to export them. Under the tariff of 1828, we imported them, and then they were little the subjects of thought. Under the Compromise, there came a demand for so much coin that we became bankrupt, and then came a rage for gold. Under the tariff of 1842, we imported much gold, and the idea ceased to occupy the public mind. Under the tariff of 1846, we have exported much, and have run largely in debt, preparatory to a demand for gold. When that shall come, it will again be sought for as it was in 1842.

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* "One principal cause of the extraordinary productiveness of land, under the management of small occupiers, is, that all or most of the cultivators are directly interested in the success of their labour; they work for themselves, and consequently with an ardour which cannot be expected from hired labourers. Every farmer might, however, make his servants almost equally zealous in his cause by altering the mode of remunerating them. If, instead of being paid a fixed rate of wages, they were entitled to a certain proportion of the crops, they would strive to make the crops as abundant as possible. * * * Nothing more is wanting to cure over-population than to make people comfortable, and to make the continuance of their comforts dependent on themselves."—*Thornton on Over-population.*

† Such are "the protective societies" established in New England, in which workmen supply themselves with the various commodities required for their consumption. They desire to dispense as much as possible with the services of the exchanger, as common sense would teach all men to do. I take the following paragraph, illustrative of this movement, from one of the journals of the day:—

"Mr. Kaulback, the purchasing agent of the several protective unions in New England, has paid for the purchase of goods for the quarter ending January 1, 1850, the sum of $102,000, being an increase of some $23,000 over the previous three months. This is an important branch of trade that has recently grown up among us, the more so as it is a cash business, no credit in any case ever being asked for. There are now in active operation 109 union cash stores in New England, nearly all stocked by the above-named agent."—*Boston paper.*

One of the most remarkable cases of combination of action is now going the rounds of the newspapers. Captain Geo. Kimball determined to build a ship in a remote district of Maine, and there, "alone, a company of one, without capital, in a forest, at a distance even from deep water, he commenced his noble enterprise. He was soon joined by a single man, in a few weeks others followed; women contributed provisions, and the farmers sent in cattle which were exchanged for materials for ship-building. The novelty of the undertaking attracted adventurers from a distance, and experienced ship-builders and joiners arrived to give their strength and skill to the work. All who aided in the enterprise, whether men, women, or children, received their proportionate share in the ship. In April last the work was commenced, and in November she was launched, a splendid ship of more than six hundred tons burden, and christened the 'California Packet.' She is now in Boston with her passengers on board, those who built and own her, and to whom she is now a home. We need not say that the men and women who compose this company are specimens of our New England population, to whom we can refer with pride."—*Boston Transcript.*

Among the evidences of the wastefulness of the existing system may be found the rage for increasing the number of places at which gold is to be weighed and marked—called mints. The mint neither adds to the quantity nor improves the quality of the thing that is minted, and yet it is now proposed to spend six or eight hundred thousand dollars in making an addition to the number of buildings in which this work is to be performed, although there are now far more than are needed for the work that is to be done. The object in view is the saving of freight and interest. Were the government to receive bullion in New York, paying for it at full price, and then to transport it at its own cost back and forth, the freight and interest would not amount to half as much as the salaries of the officers, and were the same capital applied to the building of furnaces, it would erect as many as would *produce* as much iron as would pay for more than half the gold and silver coined in the year 1848, the amount of which was $4,450,000. It is time that the planters and farmers of the Union should look to these matters for themselves, for they it is that have to suffer by the waste of capital.

Striking evidence of the diminishing power of the people of Great Britain and Ireland to obtain the comforts and conveniences of life, may be found in the following statement of the quantity of gold and silver plate, including, of course, spoons, forks, and other articles of daily use, stamped at the following periods:

Year.	Population.	Gold-plate ounces.	Silver-plate ounces.	Value of bullion per head.
1801—10	17,000,000	5,471	1,015,147	6½ cents.
1810—29	21,000,000	6,926	1,209,616	6½ "
1839—47	28,000,000	7,011	1,118,550	4·45 "

The last thirty years have witnessed the passage of a series of laws tending to compel the people to use more gold and silver; yet, with the extension of the system, their ability to be customers to the men who mine those metals has declined almost one-third. The market of the miner is diminishing as well as that of the planter.

With the diminution of the *necessities* of man there is a constant increase of his *powers*. The furnace and the mill diminish his necessity for going to the distant market, while giving him roads by which to seek it at his pleasure. The ship brings immigrants to eat the food and wear the cotton, and the freight received from them tends largely to diminish the cost of sending food and cotton to distant lands. So is it with gold. The nearer the consumer and producer can be brought together, the less is the *necessity* for it, and the greater the *power* of obtaining it. The tendency of the tariff of 1846 is to increase the *necessity* for it and diminish the *power* of obtaining it, because it tends to diminish the value of both land and labour.

CHAPTER EIGHTEENTH.

HOW PROTECTION AFFECTS THE FRIENDS OF PEACE.

THE more spades and ploughs employed, the larger is the return to labour. The more perfectly peace is maintained, the greater is the number of persons who may employ themselves with spades and ploughs, the more rapid must be the increase of production, and the larger must be the reward of the labourer and the capitalist.

The more swords and muskets employed, the smaller must be the return to labour. The more wars are made, the greater must be the number of persons employing swords and muskets, the slower must be the increase of production, and the smaller must be the reward of the labourer and the capitalist.

Protection is said to be a "war upon labour and capital." If it be so, it must tend to promote war. We are urged to adopt measures for maintaining *the monopoly system* of England, and are assured that, by doing so, we shall contribute to the establishment of peace. To prove that such would be the effect, it would be necessary to show that the colonial system had heretofore tended to the accomplishment of that great end.

If, however, we examine what has been the cause of most of the wars of the last hundred and fifty years, we shall find that it has been the desire for the possession of colonies whose people could be made "customers," and thus taxed for the support of the country that ruled over them. France had Canada, and she desired the country west of the Mississippi; she had islands in the West Indies, and she wanted more. England had some and wanted more. France and England were both in India, and, to settle the question which should tax the whole, that country was desolated by the march of contending armies during a long series of years. France had colonies to lose, and hence the war of 1793. France wanted colonies in the Mediterranean, and hence the rupture of the peace of Amiens, and the series of wars that closed with Waterloo. Since that time we have had a succession of wars in India for the extension of British power over Ceylon, Siam, Affghanistan, Scinde, and the Punjaub. The chief object of the war with China was that of compelling her to open her ports to foreign commerce, and it was accounted a righteous enterprise thus to compel the poor Chinese to open their eyes to the blessings of free trade. At the Cape, the war with the Caffres has cost millions. France, not to be outdone, seized on Tahiti, and deposed its poor queen; and at this moment makes war on the poor Sandwich Islanders, because they will not permit her to do with brandy as England in China did with opium. One portion of the English nation sells powder to the people of Africa, to enable them to carry on wars in which they make prisoners, who are sold as slaves, while another portion watches the coast to see that the slaves shall not be transferred to Cuba or Brazil. The anxiety for colonies has caused the waste of hundreds of thousands of lives, and hundreds of millions on the worthless Algeria. Thus everywhere it is the same; everywhere the anxiety for trade is seen stimulating nations to measures tending to the impoverishment and destruction of their fellow-men.

The power to make war depends upon the high or low valuation of man. Russia makes war readily, because men are cheap. France supports large armies at small cost. The East India Company's army consists of many hundred thousand men. Men in India are cheap. Belgium supports but a small army, because men are more valuable. England is weighed down by her fleets and armies, because wages are higher than on the continent, and she is therefore compelled to depend on voluntary enlistment. Could the price of men be raised, she would be compelled to dispense with fleets and armies, and the necessity for colonies would cease to exist. Throughout the world, armies have been large where men were held of small account, and throughout they have tended to become less valuable as armies became more numerous.

The cause of war is to be found in the diminished or diminishing productiveness of labour, as our own experience shows. The increasing difficulty of obtaining the means of support, from 1835 to 1842, produced the dispersion of men that led to the war in Florida, the occupation of Texas and Oregon, the difficulty with Great Britain, the war with Mexico, and the occupation of California; and this latter is now leading us into discussions with Great Britain about the rights of the Mosquito king, which, but for the dispersion to California, would interest us little more than would those of the King of Bantam. The colonial system is with us, as with all, the avenue to war, because it tends to diminish the value of labour and land.

When we look to the internal condition of those nations that, from an anxiety for "ships, colonies, and commerce," have been always engaged in wars, we find it a scene of universal discord. Louis Philippe maintained fleets and armies, engaged at one time in the subjugation of Algeria, and at others in the seizure of Tahiti, and in similar enterprises elsewhere. The unproductive class increased in numbers, and the burden to be borne by the productive class increased in weight until the explosion of 1848, followed by barricades of towns, and by a series of disturbances producing a necessity for increasing still further the number of unproductive consumers, men carrying muskets, required to secure the maintenance of internal peace. England maintains large fleets and armies for the protection of commerce and colonies, and her whole empire is "a scene of rude commotion." At home, we see her chartists attempting revolution; in Ireland, monster meetings and efforts at separation, followed by appeals to arms; in Canada, efforts at revolution, followed by the present determination to effect peaceable separation; in the West Indies, universal discord among the employers and the employed; in India, perpetual difficulties, and everywhere a necessity for maintaining large armies for the purpose of maintaining internal peace, or, in other words, for preventing those who have property from being plundered by those who have it not, and enabling those who are strong to tax those who are weak.

With the gradual diminution in the productive power of the people of England, we see an increase of discord between the employers and the employed; strikes becoming more numerous, and accompanied by more serious results, the destruction of buildings and machinery being added to the injury resulting from long suspensions of labour. In Scotland, the population of whole districts is expelled to make way for sheep, while other districts present to view outrages similar to those exhibited in the lands further South. In Ireland, we see a scene of almost universal war, the land-holder in one place expelling his tenants and destroying their houses, while in thousands of others tenants are seen carrying off and secreting their crops, to avoid the payment of rent.

If we look at home, we see similar events resulting from every attempt to throw down the barrier of protection and assimilate our system to that which has produced the ruin of the British colonies. At no period of our history has there prevailed such universal discord among employers and employed as during the last few years of the Compromise act. The productiveness of labour was, as we have seen, gradually diminishing, and the employers were unable to pay to the employed such wages as would enable them to obtain the same amount of conveniences and comforts as they had before enjoyed. The year that has now closed has been signalized by the same state of things throughout the coal region, as labour became less productive. At one time we have had turn-outs among coal operators, and at another among miners and labourers, and the result has been that the year has been one of almost total loss.

If we compare with this the period that elapsed between 1844 and 1847, we see in the latter a steady increase in the productive power, attended by an increasing tendency to harmony among employers and employed, the natural result of improvement of condition.

The exhaustion resulting from the maintenance of the colonial system thus produces a tendency to turbulence and radicalism that compels the maintenance of armies, followed by further exhaustion, and all the injurious results are borne by labour and land. Consumption cannot exceed production, and whatever decreases the proportion which hands to produce bear to mouths to be fed and backs to be clothed, diminishes the share of food and clothing that falls to each. England now raises almost seventy millions of taxes, very many of which are required for the payment of those employed in the work of collecting the remaining millions that are paid into the treasury. To these millions raised by the State must now be added eight millions for the support of one-ninth of the population of England who are paupers, and many more for the support of the paupers of Ireland. Here is a burden of above four hundred millions of dollars, the whole weight of which is to be borne by the labour and land of England and of the world, and ultimately by her land alone. The people can fly, but the land cannot. The power to pay rent depends upon the power to make the land produce, and, as that increases with increase of numbers, and improvement in the physical, moral, and intellectual condition of the labourer, it diminishes with diminution of numbers and deterioration of condition. In the three years ending with 1845, the consumption of spirits, domestic and colonial, amounted to . . . . 23,422,295 galls.
In the three years ending in 1848, it was . . . 25,326,861* "
showing a tendency to inebriation increasing with the diminishing power to obtain in return for labour a suitable reward.

Demoralization produces pauperism, and pauperism increases demoralization, and the inebriate paupers must be supported out of the products of the land. The surplus food of Russia has diminished cultivation in Ireland, and has, of course, diminished production. England is now overrun with Irish labourers and paupers, and what has happened in Ireland must follow in England. More corn will continue to be imported, and more cotton goods will be exported; but the products of the land, out of which rent and taxes are to be paid, will diminish, and, while the mouths to be fed will increase in number, the food with which they are to be fed will continue to diminish in quantity. The corn-laws constituted the barrier of the land-holders of England against the effects of the system by which England was deteriorating the value of labour and land throughout the world. Their abolition tends to bring it daily more and more upon themselves, and the only remedy is to be found in the abolition of the colonial system and the suppression of the fleets and armies which its existence renders necessary. The diminution of unproductive consumers will be attended by an increase of productive ones, and the exports of England will then again represent home-grown food, to be returned in sugar, tea, coffee, and cotton, and with every step in that direction the necessity for taxes will diminish, and the power to pay them will increase.

If we look at home, we see a tendency to increase in the necessity for taxation with every step towards subjection to the colonial system, and diminished tendency thereto as we move in the opposite direction. The expenses of the government under the administration of Mr. Monroe averaged thirteen millions. Those of the administration of Mr. Adams averaged little over twelve millions. During the existence of the tariff of 1828, and in the early period of the Compromise, we find the expenditure maintained at thirteen millions, but with the gradual dispersion of population we arrive at the Florida war, and an expenditure of thirty, thirty-seven, and thirty-three millions in three successive years, and afterwards falling gradually until we find it at twenty millions in the period of 1843 to 1844. With the adoption of free-trade doctrines, we find an increasing tendency to war, and the expenditure rising to sixty millions. Looking at all these facts, it is difficult to arrive at any other conclusion than that protection tends to increase the demand for spades and ploughs, and the reward of labour, and to diminish that demand for swords and muskets which leads to the destruction of both the labourer and the plough. The friend of peace is therefore directly interested in the destruction of the English monopoly of machinery.

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* This fact is adduced by the *Edinburgh Review*, July, 1849, as one of the evidences of the advantage resulting from free trade.

If protection be a war upon labour and capital, we should find it attended with diminished production and increased expenditures. If, on the contrary, it be, as its name imports, protection to both labourer and capitalist, tending to augment the value of the labourer, then it should be attended with increased production and diminished expenditure. We have now before us the fact, that, while the government, from 1824 to 1833, was administered at about one dollar per head, the cost of administration rose in the free-trade period to more than two dollars, to fall again to one in the period of protection, and to rise to almost three in the present free-trade one.* Protection looks homeward. Free trade, under existing circumstances, looks abroad, and needs fleets and armies, with hosts of officers, great custom-houses and warehouses, branch mints in California and New York, ministers plenipotentiary and chargés without number abroad, and hosts of officers at home, to be supported out of the proceeds of labour and land. The one looks to cheap and good government; the other to a splendid one, profitable to the governors, but fatal to the governed.

We have seen that under protection the value of labour at home has increased, and that therewith there has been an increase in the power of consuming foreign commodities, such as we do not ourselves produce. We have also seen that while it tends to increase the importation of people from abroad, it tends likewise to facilitate the transmission to Europe of our bulky commodities, by enabling us to send them at almost nominal freights, and that thus, while it raises the value of labour throughout the world by diminishing the number of persons seeking employment, it also raises it by enabling those who remain abroad to obtain sugar, cotton, coffee, and the other productions of the West, at diminished cost. The way to promote harmony among nations, and in the bosom of nations, is to increase the value of man, and such has been, and must continue to be the result of protection. That object once accomplished, all necessity for custom-houses, whether for protection or for revenue, will cease.

The man who contributes to the support of war makes war, and if he does it voluntarily he is accountable for the results thereof in the deterioration and destruction of his fellow-men. Of all the people of the world, there are none who have contributed so largely as ourselves to the maintenance of the fleets and armies by which Ireland has been ruined, and war has been carried throughout Europe and Asia. So far as we have done this voluntarily, we are as much responsible for the destruction of life and property in China, Scinde, Affghanistan, and the Punjaub, as the men by whose command these things were done.

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* Independently of the amount of money paid for the expenses of the Mexican war and the purchase of California, ninety thousand land warrants have been issued to soldiers who served in the war, giving to them as bounty 13,800,000 acres. Estimating this land at the government price, $1 25 an acre, we have an aggregate of $17,230.000

We have seen that England produces little to export, yet is she enabled to consume much. The producer obtains little for his cotton, yet the labourer obtains little clothing for the time employed in converting the cotton into cloth. The sugar-planter obtains little iron for his sugar, yet the miner has little sugar for his labour. The tobacco-grower has little cloth for his product, but the spinner can consume little tobacco. The reason for all this is to be found in the fact that between the consumer and the producer stands a host of exchangers, the greatest of which is that which collects taxes to be paid out for the support of fleets and armies. Every pound of cotton that travels on an English railway, contributes its proportion to the £108,000 of taxes paid by the single London and North-western railway, the £68,000 paid by the Great Western,[*] or some other of the immense sums paid by other railways. Every pound of tobacco pays 3*s.* = 72 cents, towards the maintenance of the fleets and armies of Great Britain, in addition to its share of the taxes on warehouses, bills of exchange, promissory notes, and of the thousand other taxes paid by the various persons who stand between the producer and the consumer. These men produce nothing themselves, and their taxes must be paid for them by the land and labour that do produce—whether it be foreign or domestic.

England is now the great war-making power of the world. It is by means of the monopoly of machinery for the production of iron, and for the conversion of cotton into cloth, that she is enabled to tax the world for the maintenance of her fleets and armies,[†] for the prosecution of those wars. To destroy her power to make war would be to bring about peace. Protection tends to limit her power to tax the farmers and planters of the world, and thus to limit her power to raise revenue for the payment of soldiers and sailors, while it tends to raise the value of man, and thus make soldiers and sailors more costly. In both ways it tends to diminish the power to maintain fleets and armies, and to promote the maintenance of peace. Every friend of peace is therefore bound to use his efforts for the destruction of *the monopoly system.*

The London *Times* recently published, with approbation, a letter from the East Indies—from a British officer engaged in the battle of Goodjerat, from which the following is an extract. It is deserving the careful consideration of every man who has heretofore aided in the maintenance of the system :—

> "The enemy were in the sands trying to escape, and our men *knocking them over like dogs*. . . Some of our men screamed out, 'They are off!' Fordyce's troops went off at a gallop, our men giving them three cheers—such cheers—*it was a perfect scream of delight and eagerness!* and you may be sure I assisted and yelled till I was hoarse! . . . Every wounded Sikh was either shot or bayoneted (!!) . . I rushed up with a few of the grenadiers, and found four men re-loading their pieces; three were bayoneted, *and I was hacking away at the head of the fourth*, when Compton, of the grenadiers, shot him. The

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[*] North British Review, August, 1849.

[†] Sir Charles Napier has addressed a letter to the public, which fills five closely printed columns of the Times, upon the subject of the navy and its expenses. The sum and substance of what he says seems to be, "that we have spent about ninety millions sterling during the last twenty-eight years in rebuilding our navy twice over, and now we cannot even find the fragments." Such are the results of the system of "ships, colonies, and commerce."

last shot was fired at an unfortunate Goorer in the camp, who was seated quietly reading their Grunth! . . . We waited at this place about two hours; and I can assure you they were about the *jolliest two hours* I ever passed. I never enjoyed a bottle of beer so much in all my life!"

CHAPTER NINETEENTH.

HOW PROTECTION AFFECTS THE EXCHANGER.

THE exchanger stands between the producer and the consumer. He himself produces nothing, although consuming much, in exchange for which he gives only services. He buys a bale of cloth and divides it among the consumers, giving a piece to one and a yard to another, but he makes no change in the quantity or quality of the commodities that pass through his hands. The bale of cloth would clothe as many men, and the cargo of flour would feed as many, without his services, as with them. Nevertheless, the exchanger takes rank before the producer. The merchants of London, of New York, and of Boston, have more influence over the action of government, and over public opinion, than twenty, fifty, or even one hundred times the number of men whose every hour is given to increasing the quantity and improving the quality of things necessary to the use of man.

The reason that such is the case is that the present system of trade tends to increase the *necessities* of the producers for going to distant markets, and to diminish their *power* so to do. When the producer of iron takes his place by the side of his producer of food, the latter exchanges his potatoes, his cabbages, his veal, his milk, and his butter, directly with the former, and obtains his iron at little cost of labour. He is thereby enabled to improve his wagon and his roads, and to go to market cheaply, thus increasing his powers while diminishing his necessities. The more distant the consumer and the producer, the greater must be the quantity of machinery of exchange, and the poorer must be its quality, and every such change in regard to either tends to the impoverishment of the farmer and planter.

Such being the case, it might be supposed that here was a case of discord. The exchangers would suffer by the adoption of measures tending to bring the consumers to take their places by each other. Directly the reverse, however, is the fact. The quantity to be exchanged depends on the extent of the *surplus* that is produced, and that increases with prodigious rapidity as the power of production is increased. The man who produces no more food than is absolutely necessary for his own consumption, has nothing to exchange for cloth or iron. Once fed, he may exchange the whole surplus, whatever it be, and therefore it is that the amount of exchanges increases with such wonderful rapidity when production increases, as was the case from 1843 to 1847.

The larger the return to labour applied to production, the less must be the necessity for seeking employment in the work of exchange, and the less will be the competition in trade. Our cities are filled with young men from the country who would have remained at home among parents and friends, had the cotton or woollens factory, the furnace or the rolling-mill, been there to give them employment; but as it was not there, they have been compelled to add themselves to the already almost infinite number of clerks, hoping, and vainly hoping, to obtain stores or shops for themselves. By bringing the consumer to the side of the producer, such young men would, in future, remain at home to swell the number of producers, and to increase the amount of production, enabling each exchanger to perform a larger amount of business, and to grow rich with the same rate of commission that now keeps him poor

It is asserted that of all the persons engaged in trade, in our cities, four-fifths fail. The cause is to be found in the fact that so many are forced into trade, for want of being enabled to apply themselves to production, and that when there they are exposed to the effects of the enormous changes which result from the existence of the English monopoly system. Iron sells at one time at ten pounds, and soon after at five. The man of small capital, who has a stock on hand, is ruined. Cottons and woollens change in like manner. At one moment England desires to sell iron and cloth in exchange for certificates of debt, and money is said to be plenty. At the next, she asks to be paid, and money becomes scarce. The little capitalist is ruined by the change. The consequence is, that our cities are filled with men who have adventured in trade, and failed.

In England, these disastrous effects are far more widely felt. The country is filled with young men anxious to be employed in any department of trade, for in the work of production can be found no demand for time or mind, unless accompanied with large capital. The consequence is a perpetual strife for obtaining even the means of subsistence, among shopmen, clerks, and journeymen,* while the unceasing changes carry ruin, at brief intervals, among the employers. The last three years have seen to disappear a large number of the principal trading firms in the kingdom, and the exhibits they have made of their affairs afford proof conclusive of the ruinous character of the system. In Liverpool, at one time, there were 7000 houses and stores unoccupied. What had become of those who had been their occupants?

The tendency of the whole system is to produce a *necessity* for trade, and to diminish the *power* to maintain trade. "Commerce," there, "is king," and like other kings, he is exhausting his own subjects. Having plundered and ruined India, the West Indies, Ireland, Portugal, and all other countries subject to his control, he is now doing the same at home. With every step he is diminishing the power of applying labour to production, and increasing the necessity for looking to trade as the only means of employing time, talent, or capital, with constantly decreasing return to all; and hence it is that so large a portion of the people of the United Kingdom desire to escape to other lands, where Commerce, finding in agriculture and manufactures his equals, cannot be king. In his proper place he is most useful, but as master he has always proved a tyrant worse than any recorded even in the annals of Rome. The object of the colonial system was that of making him master, and its effects are now felt at home as well as abroad. The object of protection is to put an end to his tyranny, and to bring him back to his true condition; and among the whole people there are none whose interests are more to be promoted by the accomplishment of that object than those who are now engaged in commerce, because with every step it will increase the amount of exchanges to be performed, without a corresponding increase in the number of exchangers.

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* "Fourteen hundred tailors are now in London totally unemployed, and hundreds daily applying for relief to the houses of call; the funds are, however, exhausted. Nine hundred shoemakers out of work have their names on the books, and seventeen hundred are working for half wages. The curriers and leather-dressers are in the same situation. There were never known so many working jewellers out of employ, and meetings of the trade are now holding to petition parliament for protection against the competition of foreign labour."—*Morning Post.*

CHAPTER TWENTIETH.

HOW PROTECTION AFFECTS WOMAN.

WITH every increase in the value of labour and land, the condition of woman is improved. With every improvement in her condition, she has more leisure to devote to the care of her children, and to fitting them worthily to fill their station in society, giving value to labour and land. If protection be "a war upon labour and capital," it must tend to diminution in the value of labour and land, and to deterioration in the condition of the weaker sex. How far that is the case we may now examine.

Throughout a large portion of this country, the time of women is almost entirely valueless. They would gladly work if they could, but there is no employment but that on the farm, for which they are not fitted. Place in every county of the Union a mill, and there will thus be produced a demand for that now surplus labour, and the workers in the mill will obtain more and better food and clothing, and they will be able to obtain more and better clothing, and education, and books by which to improve their minds, and fit them to fill the station of mothers, to which they will then be called. For want of local employment the young men are forced to seek the cities, or to fly to the West, and thousands and tens of thousands of women remain at home unmarried, while other thousands also seek the cities in search of employment, and terminate their career as prostitutes, because unable to compete with the "cheap" labour of the unhappy subjects of the following article, which I take from one of the newspapers of the day:—

> "The distressed needle-women of London have been made the object of a commission of inquiry instituted by the Morning Chronicle. Three gentlemen well known in literature have examined the state of this unfortunate class, and the result is, that there lives in London a body of about 33,000 women permanently at the starvation point; working at the wages of a few pence a day.
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> "The greater portion of these poor creatures, living, as they do, far beyond the social state, resort to prostitution, as a means of eking out their miserable subsistence; whenever the pressure threatens their extinction, then they turn into the street, and pauperism runs into inevitable vice. Since the disclosures of the Morning Chronicle, many humane persons have forwarded considerable sums of money to the office of that journal for distribution among the most necessitous objects; and Mr. Sidney Herbert has come forward to found a society for promoting their emigration. There is something like half a million of women in excess of men in Great Britain; there is a corresponding excess of males in the British Australian Colonies. The society above mentioned aims to bring these marriageable parties in contact; and it is hoped, that when once it is in operation, government will assist it with funds. It costs some £15 to transport a passenger to Australia. Now, if private benevolence raises a sum of £30,000, this will only relieve 2000 of the sufferers: a mere fraction, whose absence would not be sensible in the metropolis. It would require ten times that amount to lade out the misery to the proper extent, and also to satisfy the wants of the colonists."

"Commerce is king," and such are his female subjects. To the same level must fall all those who are under the *necessity* of competing with them, and such are even now the results of the approach to the system that looks to the maintenance of the English monopoly as being freedom of trade. The compensation for female labour is miserably small, even now, but it must fall far lower when we shall be called upon to settle the account for the modicum of iron, wool, silk, and earthenware that we receive in exchange for all our cotton, tobacco, rice, flour, pork, cheese, butter, *and evidences of debt.*

"So God created man in his own image, in the image of God created he him; male and female created he them. And God blessed them and said unto them, Be fruitful and multiply, and replenish the earth and subdue it."

Such was the first command of God to man on earth, and, as he does or does not comply with it, he is found a moral or immoral being. If the association of man with his fellow-man tend to the elevation of character and to the promotion of civilization, how infinitely more is such the result of that intimate association resulting from obedience to the command, "Be fruitful and multiply." The relation of husband and wife, and that of parent and child, are both essential to the development of all that is good and kind, gentle and thoughtful. The desire to provide for the wife and the child prompts the husband to labour, for the purpose of acquiring the means of present support, and to economy as a means of preparation for the future. The desire to provide for the husband and the children prompts the wife to exertions that would otherwise have been deemed impossible, and to sacrifices that none but a wife or a mother could make.

The modern school of political economy says, "Be not fruitful; do not multiply. Population tends to increase faster than food." It prescribes disobedience to the earliest of God's commands. Obedience thereto, in those who are poor, is denounced as improvidence; and to those who are so improvident as to marry, " with no provision for the future, no sure and ample support even for the present," it is thought "important to pronounce distinctly that, on no principle of social right or justice, have they any claim to share the earnings or the savings of their more prudent, more energetic, more self-denying fellow-citizens."* To have a wife for whom to labour, and with whom to enjoy the fruits of labour, is a luxury, abstinence from which is placed high among the virtues. To have children to develope all the kindly and provident feelings of the parents, is a crime worthy of punishment. Charity is denounced as tending to promote the growth of population. To rent land at less than the full price, is an error, because it tends to increase the number to be fed. To clear the land of thousands whose ancestors have lived and died on the spot, is "improvement." Cottage allotments are but places for breeding paupers.

Southey denounced the Byronian school of poetry as "satanic," and so may we fairly do with the school of political economy that has grown out of the colonial system, and the desire to make of England "the work-shop of the world." It teaches every thing but Christianity, and that any feelings of kindness towards those who are so unfortunate as to be poor should still remain in England, is due to the fact that those who teach it have not in their doctrine sufficient faith to practise what they preach.

The direct tendency of the existing monopoly of machinery which it is the object of *free trade* to maintain, is towards barbarism. It drives hundreds of thousands of Englishmen to abandon mothers, wives, and sisters, and barbarize themselves in the wilderness, while of those who remain behind a large portion are too poor to marry, the consequences of which are seen in the immense extent of prostitution and the perpetual occurrence of child murder. In this country it is the same. Of the almost hundreds of thousands of men who have fled to the wilds of Oregon or California, a vast portion would have remained at home with mothers and sisters had the consumer been allowed to take his place by the side of the producer, as he would long since have done, but for the existence of this most unnatural system.

Among the women of the world, there is a perfect harmony of interests. It is to the interest of all that the condition of all should be elevated, and such must be the result of an increase in the value of labour. The object of protection is that of raising throughout the world the value of man, and thus improving the condition of woman. Every woman, therefore, who has at heart the elevation of her fellow-women throughout the world, should advocate the cause of protection.

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* Edinburgh Review, October, 1849.

CHAPTER TWENTY-FIRST.

HOW PROTECTION AFFECTS MORALS.

THE moral man is sensible of the duties he owes to his wife, his children, society, and himself. He frequents neither taverns nor gaming-houses. His place is home.

The more perfect the morality the more productive will be the labour of a community, and the greater will be the power of its members to improve their moral and intellectual condition. If protection be "a war upon labour and capital," it must tend to the deterioration of morality and the diminution of the reward of labour.

The more equal the division of a community between the sexes, the greater will be the power to contract matrimony, and the higher will be morality. The monopoly system tends to expel the men and produce inequality in the number of the sexes, and thus to diminish the power to contract matrimony, thereby producing a tendency to immorality. The object of protection is to enable men to remain at home, and thus bring about equality, which cannot exist where the tendency to dispersion exists.

The more men can remain at home, the better they can perform their duties to their children. The monopoly system tends to compel them to perform their exchanges in distant markets and to separate themselves from wives and children. The object of protection is to bring the consumer to take his place by the side of the producer, and enable them to effect their exchanges at home.

The more directly the consumer exchanges with the producer, the less will be the disposition and the power to commit frauds. The farmer of Illinois has no object in adulterating his corn, because corn is cheap; but the miller of England mixes beans with the corn, because corn is dear. The planter of Alabama would gain nothing by substituting flour for cotton, because the latter is cheap; but the manufacturer of England does so because cotton is dear. The coffee planter delivers coffee. The English shopkeeper substitutes chicory for coffee, because the latter is dear. The inducement to fraud in these cases results from the distance between the producer and the consumer, which it is the object of protection to diminish. The shoemaker makes good shoes for his customers; but he makes indifferent ones for the traders who deal with persons that are distant. The gunsmith furnishes to his neighbours guns that will stand the proof; but when he makes others to be sold in Africa, he cares little if they burst at the first fire. The necessity for maintaining the monopoly of machinery now enjoyed by England leads to frauds and forgeries of every description, with a view to displace the foreign produce and deceive the foreign producer.* The *power* to commit frauds thus results from the distance between the consumer and the producer. Protection looks to bringing them near together, and thus diminishing that power.

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* As a specimen of this, I take the following from one of the journals of the day:

"We are surprised to see ginghams in market, sent out from England by the house of A. & S. Henry & Co. of Manchester, imitating the above goods in patterns, width, and style of finish. But a most palpable and unfair imitation is in the label, where, preserving the same general appearances as to size, colour of paper and ornaments, the word *Lancastrian* is substituted for *Lancaster*. That the whole is a manifest and intentional counterfeit, there cannot be a doubt. The goods will, undoubtedly, be sold for American Lancaster ginghams, to which they are inferior in firmness of fabric and permanency of colour, to the manifest injury of the profits and reputation of the American manufacturer —*Boston paper*.

The planter who exchanges on the spot with the iron-master and the miller, makes large crops and grows rich, and the gain resulting from successful frauds would be trifling compared with the loss of character. The one who is distant from both makes small crops, which are sensibly increased in amount by the substitution of stones in lieu of cotton or tobacco. The *inducement* to commit frauds here results from the distance between the consumer and the producer, and is diminished as the loom and the anvil come nearer to the plough and the harrow.

The man who makes his exchanges in distant markets spends much time on the road and in taverns, and is liable to be led into dissipation. The more he can effect his exchanges at home, the less is the danger of any such result. The object of the monopoly system is that of compelling him to effect all his exchanges at a distance, and to employ for that purpose numerous wagoners, porters, sailors, and other persons, most of whom have scarcely any home except the tavern.

The more uniform the standard of value, the less does trade resemble gambling. The object of the monopoly system is to subject the produce of the world to a standard of the most variable kind, and to render agriculture, manufactures, and trade, mere gambling. The object of protection is to withdraw the produce of the world from that standard, enabling every community to measure the products of its labour by its own standard, giving labour for labour.

The object of the English system is to promote *centralization*, and its necessary consequence is that of compelling the dispersion of man in search of food.* London and Liverpool, Manchester and Birmingham, have grown with vast rapidity by the same system which has exhausted Ireland, India, and the West Indies. The same journal informs us of the construction of a new town opposite Liverpool, of the great additions to London, and of the absolute necessity for promoting emigration from Ireland, Scotland, and even from England. As each successive province is exhausted, there arises a desire, and even a necessity for adding to the list. Bengal and Bombay having ceased to be productive, Affghanistan is attempted, and the Punjaub is conquered. The ruin of the West Indies is followed by an invasion of China, for the purpose of compelling the Chinese to perfect freedom of trade. The Highlands are depopulated, and Australia is colonized.

Mr. Jefferson held great cities to be "great sores." He desired that the manufacturer should take his place by the side of the agriculturist—that the loom and the anvil should be in close proximity to the plough and the harrow. Mr. Jefferson looked and thought for himself. He had studied political economy before it became necessary for Mr. Malthus to invent a theory of population that should satisfactorily account for the scarcity of food under the unnatural policy of England, and thus relieve the law-makers of that country from all charge of mis-government. He studied, too, before Mr. Ricardo had invented a theory of rent, for the maintenance of which it was necessary to prove that the poor cultivator, beginning the work of settlement, always commenced upon the rich soils—the swamps and river-bottoms—and that with the progress of population he had recourse to the poor soils of the hills, yielding a constantly diminishing return to labour—and therefore it was that he thought for himself. Modern financiers have blindly adopted the English system, based on the theories of Malthus and Ricardo, and the perfection of civilization is now held to be found in that system which shall most rapidly build up great cities, and most widely separate the manufacturer from the agriculturist. The more perfect the centralization, the greater, according to them, will be the tendency towards improvement.

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* "To those who have never reflected on the subject, it may seem like exaggeration to say that, as a general fact, at least nine-tenths of the lower orders suffer physically, morally, and intellectually, from being over-worked and under-fed; and yet I am convinced that the more the subject shall be investigated, the more deeply shall we become impressed with the truth and importance of the statement. It is true that but few persons die from direct starvation, or the absolute want of food for several successive days, but it is not the less certain that *thousands upon thousands* are annually cut off, whose lives have been greatly shortened by excess of labour and deficiency of nourishment. * * It is a rare thing for a hard-working artisan to arrive at a good old age; almost al become prematurely old, and die long before the natural term of life."—*Combe's Philosophy of Digestion.*

Mr. Jefferson was in favour of combined action, as being that which would most tend to promote human improvement, physical, moral, intellectual, and political. That it does so, would seem to be obvious, as it is where combination of action most exists that men live best and are best instructed—commit least crimes, and think most for themselves. There, too, there exists the strongest desire to have protection.

A recent traveller* in the United States, says that "the facility with which every people conscientiously accommodate their speculative opinions to their local and individual interests, is sufficiently demonstrated by the fact, that the several States and sections of States, "as they successively embark in the manufacture, whether of iron, cotton, or other articles, become immediately converts to protectionist views, against which they had previously declaimed."

It is here supposed that the desire for protection results from a selfish desire to tax others, but the persons exclusively devoted to manufactures of any kind are too few in number to affect the elections, and yet wherever mills or furnaces are established, the majority of the people become advocates of the doctrine of protection, and that majority mainly consists of agriculturists, —farmers and planters. Why it is so, may be found in the fact that they experience the benefits resulting from making a market on the land for the products of the land, and desire that their neighbours may do the same. Ignorant selfishness would induce them to desire to retain for themselves the advantage they had gained. Enlightened selfishness would induce them to teach others that which they themselves had learned.

Ignorant selfishness is the characteristic of the savage. It disappears as men acquire the habit of association with their neighbour men. The proclaimed object of the monopoly system is that of producing a necessity for scattering ourselves over large surfaces, and thus increasing the difficulty of association, and the object is attained. "The prospect of heaven itself," says Cooper, in one of his novels, "would have no charm for an American of the backwoods, if he thought there was any place further west."

Such is the common impression. It is believed that men separate from each other because of something in their composition that tends to produce a desire for flying to wild lands, there probably to perish of fever, brought on by exposure, and certainly to leave behind them all that tends to make life desirable. Such is not the character of man anywhere. He is everywhere disposed to remain at home, when he can, and if the farmers and planters of the Union can be brought to understand their true interests, at home he will remain, and doing so, his condition and that of all around him, will be improved. The habit of association is necessary to the improvement of man. With it comes the love of the good and the beautiful. "I wish," says the author of a recent agricultural address, "that we could create a general passion for gardening and horticulture. We want," he continues, "more beauty about our houses. The scenes of childhood are the memories of our future years. Let our dwellings be beautified with plants and flowers. Flowers are, in the language of a late cultivator, 'the playthings of childhood and the ornaments of the grave; they raise smiling looks to man and grateful ones to God.'"

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* Sir Charles Lyell.

We do want more beauty about our houses, and not only about our houses but about our minds, and that it may be obtained, we must rid ourselves of a system which makes the producer the servant of the exchanger. Such is the object of protection.

It is most truly said that "there is no friendship in trade." As now carried on, it certainly does not tend to promote kindly feelings among the human race, nor can it do so while the system remains unchanged. The great object of traders appears to be the production of discord. By so doing, England has obtained the supreme control of India. Her journals are unceasingly engaged in sowing discord among the various portions of this Union, and the effort would be successful were it not that there is no real discordance in their true interests.

It is time that the people of Great Britain should open their eyes to the fact that their progress is in the same direction in which have gone the communities of Athens, and Rome, and every other that has desired to support itself by the labour of others. It is time that they should awake to the fact that the numerous and splendid gin-shops, the perpetual recurrence of child-murder for the purpose of plundering burial societies, and the enormous increase of crime* and pauperism, are but the natural consequence of a system that tends to drive capital from the land, to be employed in spindles and ships, and labour from the healthful and inspiring pursuits of the country, to seek employment in Liverpool and Manchester, where severe labour in the effort to underwork the poor Hindoo, and drive him from his loom, is rewarded with just sufficient to keep the labourer from starving in the lanes and cellars with which those cities so much abound.

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* "Humanity cries to us from the depths. If we will not answer her, it were better a millstone were tied about our necks, and that we were cast into the sea. Have we no sense of the precipice on which we stand? Have not the books of the prophetess been one by one burnt before our eyes—and does not the sybil even now knock at our doors to offer us her final volume, ere she turn from us and leave us to the Furies? Crime, not stealing, but striding onward. Murders, poisonings, becoming almost a domestic institution among our villages—husband, children, parents, drugged to their final home for the sake of the burial fees. Vice within the law, keeping pace with offence without. Incest winked at by our magistracy from its fearful frequency in our squalid peasant dwellings. Taxation reaching beyond the point at which resources can meet it, so that, at increasingly shorter intervals, we have to borrow from ourselves to make expenditure square with income. Poor Laws extended to Scotland and Ireland, where they were never known before, and new Poor Laws failing in England to check the advance of rates, and the growth of inveterate beggary, until property threatens to be swallowed up by the propertyless, and a terrible communism to be realized among us by a legalized division of the goods of those who have, among those who have not—the fearfullest socialism, the equal republic of beggary. 'Speak! strike! redress!' Three millions and a half of the houseless and homeless, the desperate, the broken, the lost, plead to you in a small still voice, yet louder than the mouthing theories of constitution-mongers. Man, abused, insulted, degraded, shows to you his social scars, his broken members, his maimed carcass, blurred in the conflict of a selfish and abused community.

"We say it must no longer be. We are a spectacle to gods and men—'a by-word and a hissing to the nations.' Savages grow up in the midst of our feather-head civilization, wilder, more forlorn, more forgotten, and neglected than the Camanches, or the earth-eaters of New Holland. Ragged foundlings, deserted infant wretchedness, paupers hereditary, boasting a beggar pedigree older than many of our nobles, grow up from year to year, generation to generation, eat with brazen front into the substance of struggling industry."—*The Mother Country, by Sydney Smith.*

That "there is no friendship in trade," is most true, and yet trade is the deity worshipped in this school. In it "commerce is king," and yet to commerce we owe much of the existing demoralization of the world. The anxiety to sell cheap induces the manufacturer to substitute cotton for silk, and flour for cotton, and leads to frauds and adulterations of every description. Bankruptcy and loss of honour follow in the train of its perpetual revulsions. To obtain intelligence an hour beforehand of an approaching famine, and thus to be enabled to buy corn at less than it is worth, or to hear in advance of the prospect of good harvests, and to sell it at more than it is worth, is but an evidence of superior sagacity. To buy your coat in the cheapest market, careless what are the sufferings of the poor tailor, and sell your grain in the dearest, though your neighbour may be starving, is the cardinal principle of this school.

A very slight examination will suffice to convince the reader that, as has been already shown, these frauds and overreachings increase in the ratio of the distance between the consumer and the producer. The food that has travelled far is dear, and worthy to be mixed with beans. The cotton produced in remote lands is dear, and it is profitable to mix it with flour. The shoemaker who supplies the auctions uses poor leather, and employs poor workmen.* The object of protection is that of bringing the consumer of food to the side of its producer, there to eat plenty of good and nourishing food; the consumer of cotton to the side of its producer that he may not need to wear a mixture of wool and paste; and the shoemaker to the side of the farmer and planter, that the latter may be supplied with "custom-work," and not "slop-work." By this he gains doubly. He gives less food, and gets better clothing in return. By so doing, his own physical condition and the moral condition of the shoemaker are both improved.

The whole tendency of the system is to the production of a gambling spirit. In England, it makes railroad kings, ending in railroad bankrupts, like Henry Hudson. If we could trace the effect of the great speculation of which this man was the father, we should find thousands and tens of thousands of husbands and wives, parents and children, utterly beggared to build up the fortunes of the few, and thus increase the inequality of social condition which lies at the root of all evil. If we examine it here, we see it sending tens of thousands to California, eager for gold, there to lose both health and life.† It is sending thousands of boys and girls to our cities—the former to become shopmen, and the latter prostitutes, while hundreds of thousands are at the same time making their way to the West, there to begin the work of cultivation, while millions upon millions of acres in the old States remain untouched. With every step of our progress in that direction, social inequality tends to increase. The skilful speculator realizes a fortune by the same operation that ruins hundreds around him, and adds to his fortune by buying their property under the hammer of the sheriff. The wealthy manufacturer is unmoved by revulsions in the British market which sweep away his competitors, and, when the storm blows over, he is enabled to double, treble, or quadruple, his already overgrown fortune. The consequence is, that great manufacturing towns spring up in one quarter of the Union, while almost every effort to *localize* manufactures (thus bringing the loom and the anvil really to the side of the plough and the harrow) is followed by ruin. The system tends to make the rich richer and the poor poorer. The coal miner of the present year works for half wages, but the coal speculator obtains double profits, and thus is it ever—the producer is sacrificed to the exchanger. With the growth of the exchanging class, great cities rise up, filled with shops, at which men can cheaply become intoxicated. New York has 4567 places at which liquor is sold, and the *Five-Points* are peopled with the men who make Astor-place riots. Single merchants employ 160 clerks, while thousands of those who are forced into our cities and seek to obtain a living by trade are ruined. Opera singers receive large salaries paid by the contributions of men whose shirts are made by women whose wages scarcely enable them to live.

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* Take, as an illustration in the system, the fraud in carpets, such as are usually sold at auction. "The head end of the piece is woven firmly for a few yards, when the web is gradually slackened, so that the inside of the piece bears no comparison with the outside. This is done so adroitly that it is impossible for any, but the best judges to tell in what the cheat consists. There is a double evil in this imposture, for the fabric not only grows poorer and thinner as the piece is unrolled, but the figures, containing of course the same number of threads throughout, will not match, their size being increased with the slackness in weaving. This is not only a positive cheat, but it greatly interferes with the honest dealer, whose goods being alike throughout, cannot of course compete in price. It is incredible to what an extent this practice is carried, and it is high time there was some legal remedy."—*Dry Goods Reporter.*

† "This is one of the strangest places in Christendom. I know many men, who were models of piety, morality, and all that sort of thing, when they first arrived here, and

The whole system of trade, as at present conducted, and as it must continue to be conducted if the colonial system be permitted longer to exist, is one of mere gambling, and of all qualities, that which most distinguishes the gambler is ignorant selfishness. He ruins his friends and wastes his winnings on a running-horse, or on a prostitute. To what extent this has been the characteristic of the men who have figured most largely in the walks of commerce, might be determined by those who are familiar with the concerns of many of the persons described in the following passage, which I take from one of the journals of the day:

> "The great merchants of this great mercantile city, who were looked up to with reverence by the mammon-worshipping crowd twenty years ago—where are they? Ask Stephen Whitney and those few who have with him survived the shock of thirty years' changes, and they will tell you, in commercial language, that 93 or 95 per cent. of their contemporaries at that date have since become bankrupt, and that the widows of most of those deceased are either "keeping boarding-houses" or have left friendless orphans to "the tender mercies" of a commercial world.
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> "Look at the ephemeral creatures of this and last year's accidents, who now figure largely in the great world of New York, whether in the wholesale or retail line—whether in commerce, fashion, theatricals or religion—and ask where and what they or their children are likely to be twenty-years hence. The answer will be such as none of those most deeply in it will be apt to give with precise or probable correctness. 'They shall heap up riches and know not who shall gather them;' 'they shall build houses and know not who shall inhabit them;' 'they shall plant vineyards and shall not eat the fruit of them;" they shall 'call their lands after their own names,' and a generation shall rise up and possess them who shall laugh those names into a contempt from which the oblivion that shall succeed will seem a happy deliverance."—*N. Y. Herald.*

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who are now most desperate gamblers and drunkards."—*Extract from a letter dated San Francisco, July* 30.

"*American Lottery*—Class No. 1—$10,000 in actual prizes, sixty-six numbers, twelve drawn ballots. Whole tickets, $10; half do. $5. This lottery will be drawn at the Public Institute in San Francisco, on the third day of October, '49, at twelve o'clock, M., under the superintendence of the managers."—*Pacific News.*

As a necessary consequence of the system, money becomes more and more an object of consideration in the contraction of the important engagement of matrimony, and marriage settlements begin to appear among us. The newspapers of the day inform us of the recent execution of one for $200,000.

If we look westward, it is the same. Centralization produces depopulation, and that is followed by poverty and crime. London grows upon the system that ruins India and fills it with bands of plunderers. The West and South-west are filled with gamblers, and land-pirates abound. The late war has brought into existence a new species of fraud, in the counterfeiting of land-warrants, and this is but one of the many evils resulting from that measure.

If we look back but a few years, we may see that the period between 1835 and 1843 was remarkable for the existence of crime, and it was that one in which the tendency to dispersion most existed. If we now look to the period between 1843 and 1847, we can see that there was a gradual tendency to the restoration of order and quiet and morality throughout the Union. In the last year, we may see the reverse. It was marked by turnouts, insubordination and violence of various kinds in country and in city. Such is the direct consequence of a diminution in the productiveness of labour. The employer must pay less, and the employed is unwilling to receive less than that to which he has been accustomed.

The tendency of the colonial system is to increase the number of wagons and wagoners, ships and sailors, merchants and traders, the men who necessarily spend much time in hotels and taverns, living by exchanging the products of others. The tendency of protection is to increase the number of producers—of the class that lives at home, surrounded by wives, children, and friends. The one builds up the city at the expense of the country; the other causes both to grow together.

Cities are rivals for trade, and when the farmer desires a new road to market he is opposed, lest it should enable him to go more cheaply to Charleston than Savannah; to New York more readily than to Philadelphia. London is jealous of Liverpool, and Liverpool of London. Discord is everywhere, and the smaller the amount of production, the greater must it necessarily be. Protection seeks to increase production, and thus establish harmony.

It is asserted that protection tends to increase smuggling, and therefore to deteriorate morals. To determine this question, it would be required only to ascertain what description of men transact business at our custom-houses. From 1830 to 1834, the chief part was done by men who had homes occupied by wives and families, for whose sake reputation was dear, but from 1835 to 1842, it passed almost entirely into the hands of men who lived in hotels and boarding-houses, and who had neither wives nor families to maintain. From 1843 to 1847, it went back to the former class. It has now returned almost entirely into the hands of agents—men whose business is trade, and who swear to a false invoice for a commission. The honest man, who desires to perform his duties to his wife and children, to society, to his country, and to his Creator, cannot import foreign merchandise. The system is a premium on immorality and fraud.

The object of protection is the establishment of perfect free trade, by the annexation of men and of nations. Every man brought here increases the domain of free trade, and diminishes the necessity for custom-houses. Every man brought here consumes four, six, ten, or twelve pounds of cotton for one that he could consume at home, and every one is a customer to the farmer for bushels instead of gills. Between the honest and intelligent man who desires to see the establishment of *real* free-trade, the Christian who desires to see an improvement in the standard of morality, the planter who desires an increased market for his cotton, the farmer who desires larger returns to his labour, the landowner who desires to see an increase in the value of his land, and the labourer who desires to sell his labour at the highest price, there is perfect harmony of interest.

CHAPTER TWENTY-SECOND.

HOW PROTECTION AFFECTS INTELLECTUAL CONDITION.

THE higher the degree of intellect applied to the work of production, the larger will be the return to labour, and the more rapid will be the accumulation of capital. If protection be "a war upon labour and capital," it must tend to prevent the growth of intellect.

The more men are enabled to combine their efforts, and the greater the tendency to association, the larger is the return to labour, and the more readily can they obtain books and newspapers for themselves, and schools for their children. The object of the monopoly system is that of compelling men to scatter themselves over large surfaces, and into distant colonies, and thus to diminish the power of obtaining books, newspapers and schools. The object of protection is the correction of this error, and to enable men to combine their efforts for mental as well as physical improvement.

The greater the tendency to association, the greater is the facility for the dissemination of new ideas in regard to modes of thought or action, and for obtaining aid in carrying them into practical effect. The object of *the English monopoly system* is that of separating men from each other, and depriving them of this advantage. The object of protection is to enable them to come together, and being so, it would seem to be the real friend to both labourer and capitalist.

If we look throughout the world we shall see intellect increasing as men live more and more in communion with each other, and diminishing as they are compelled to separate. The man who is distant from market spends much of his time in taverns, where he obtains little tending to the improvement of mind or morals. The man who has a market at his door, may obtain books and newspapers, and he is surrounded by skilful farmers, from whom he obtains information. Not being compelled to spend his time on the road, he is enabled to give both time and mind to the improvement of his land, to which he returns the refuse in the form of manure, and thus it is that he himself grows rich.

Of all the pursuits of man, agriculture—the work of production—is the one that most tends to the expansion of intellect. It is the great pursuit of man. There is none "in which so many of the laws of nature must be consulted and understood as in the cultivation of the earth. Every change of the season, every change even of the winds, every fall of rain, must affect some of the manifold operations of the farmer. In the improvement of our various domestic animals, some of the most abstruse principles of physiology must be consulted. Is it to be supposed that men thus called upon to study, or to observe the laws of nature, and labour in conjunction with its powers, require less of the light of the highest science than the merchant or the manufacturer?"* It is not. It is the science that requires the greatest knowledge, *and the one that pays best for it:* and yet England has *driven* man, and wealth, and mind, into the less profitable pursuits of fashioning and exchanging the products of other lands: and has expended thousands of millions on fleets and armies to enable her to drive with foreign nations the poor trade, when her own soil offered her the richer one that tends to produce that increase of wealth and concentration of population which have in all times and in all ages given the self-protective power that requires neither fleets, nor armies, nor tax-gatherers. In her efforts to force this trade, she has driven the people of the United States to extend themselves over vast tracts of inferior land when they might more advantageously have concentrated themselves on rich ones: and she has thus delayed the progress of civilization abroad and at home. She has made it necessary for the people of grain-growing countries to rejoice in the deficiencies of her harvests, as affording them the outlet for surplus food that they could not consume, and that was sometimes abandoned on the field as not worth the cost of harvesting; instead of being enabled to rejoice in the knowledge that others were likely to be fed as abundantly as themselves. Her internal system was unsound, and her wealth gave her power to make that unsoundness a cause of disturbance to the world; and hence she has appeared to be everywhere regarded as a sort of common enemy.

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* Wadsworth's Address to the New York Agricultural Society

To this unsound system we are indebted for the very unsound ideas that exist in regard to the division of labour. Men are crowded into large towns and cities, to labour in great shops, where the only idea ever acquired is the pointing of a needle, and that is acquired at the cost of health and life. The necessary consequence is the general inferiority of physical, moral, and mental condition, that is observable in all classes of English workmen.

Of all machines, the most costly to produce is Man, and yet the duration of this expensive and beautiful machine is reduced to an average of twenty-five or thirty years, under the vain idea that by so doing pins and needles may be obtained at less cost of labour. The principle is the same that is said to govern the planter of Cuba when he stocks his estate exclusively with males, deeming it cheaper to buy slaves than to raise them. As a necessary consequence, the duration of life is there short, and so is it in the crowded factories of the great "workshop of the world." The idea *is* vain. Pins and needles would be obtained at far less cost of labour were the workshops of Sheffield and of Birmingham scattered throughout the kingdom, thereby enabling the producers of pins to take their places by the side of the producers of food, and enabling all to enjoy the pure air and pure water of the village, instead of being compelled, after breathing the foul atmosphere of the workshop during the day, to retire at night to rest in the filthy cellar of the undrained street. Were the ore of Ireland converted into axes and railroad bars by aid of the coal and the labour of Ireland, the cellars of Manchester and Birmingham would not be filled with starving Irishmen, flying by hundreds of thousands from pestilence and famine, and compelling the labourers of England to fly to the United States, Canada, or Australia.

The English school of political economy treats man as a *mere* machine, placed on the earth for the purpose of producing food, cloth, iron, pins, or needles, and takes no account of him as a being capable of intellectual and moral improvement. It looks for physical power in connection with ignorance and immorality, and the result is disappointment.* The workman of this country is infinitely the superior of the workman of Manchester, and the reason is, that he is not treated as a mere machine. The object of what is called free trade is to degrade the one to the level of the other. The object of protection is that of enabling the poor artisan of Manchester or Leeds, Birmingham or Sheffield, to transfer himself to a country in which he will not be so treated, and in which he may have books and newspapers, and his children may be educated.

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* The commissioners for inquiring into the state of education in Wales, describe a state of mental condition perfectly in keeping with the following account of their physical condition:—"The houses and cottages of the people are wretchedly bad, and akin to Irish hovels. Brick chimneys are very unusual in these cottages; those which exist are usually in the shape of large coves, the top being of basket-work. In few cottages is there more than one room, which serves for the purpose of living and sleeping." Hence it is that there is so universal a want of chastity, resulting, say the commissioners, "from the revolting habit of herding married and unmarried people of both sexes, often unconnected by relationship, in the same sleeping rooms, and often in adjoining beds, without partition or curtain." [See Westminster Review, No. XCVI.]

The colonial system involves an expenditure for ships of war, soldiers, and sailors, greater than would be required for giving to every child in the kingdom an education of the highest order; and those ships and men are supported out of the proceeds of taxes paid by poor mechanics and agricultural labourers, whose children grow up destitute even of the knowledge that there is a God. The object of protection is to do away with the necessity for such ships and men, and to raise the value of labour to such a point as will enable the people of England to provide schools for themselves.

In the colonies, the perpetual exhaustion of the land and its owner has forbidden, as it now forbids, the idea of intellectual improvement. To the West Indies no Englishmen went to remain. The plantations were managed by agents, and the poor blacks, under their agency, died so fast as to render necessary an annual importation merely to keep up the number. In India, where education was from the earliest period an object of interest to the government, and where every well-regulated village had its public school and its schoolmaster, in which information was so well and so cheaply taught as to furnish the idea of the Lancaster system, it has almost disappeared. In the *thana* of Nattore, containing 184,509 inhabitants, there were, a few years since, but 27 schools, with 262 scholars. The teachers were simple-minded and ignorant, with salaries of $2·50 per month, and the scholars were without books. The number who could read and write was 6000. Such was the state of education in one of the best portions of Bengal. In the Bombay presidency, with a population of six and a half millions, there were 25 government schools, with 1315 scholars, and 1680 village schools, with 33,838 scholars. In the Madras presidency, out of 13 millions, there were 355,000 male and 8000 female scholars, and the instruction was of the worst kind.

In Upper Canada, in 1848, the number of children, male and female, under fourteen years of age, was 326,050, of whom but 80,461 attended school.* So far the state of things is better than in other colonies; but when we come to look further, the difference is not very great. The intellect of man is to be quickened by communion with his fellow-man, of which there can be but little where the loom is widely distant from the plough, and men are distant from each other, all engaged in the single pursuit of agriculture. How slow has been the growth of concentration in that province, may be seen from the following facts. Numerous small woollen mills furnish 584,008 yards of flannel and other inferior cloths, working up the produce of perhaps 250,000 sheep. Fulling mills exist, at which about 2,000,000 pounds of woollen cloths of household manufacture are fulled. Further, there are—

1 rope-walk.
1 candle factory.
1 cement mill.
1 sal-eratus factory.
8 soap factories.
3 nail factories.
11 pail factories.
1 last factory.
4 oil mills.
3 tobacco factories.
2 steam-engine factories.
1 ship-yard.
1 trip hammer.
2 paper mills, making 1900 reams each.
3 potteries.
1 comb factory.
1 vinegar factory.
5 chair factories.
2 brick-yards.
1 axe factory, producing 5000 per annum.
6 plaster mills.†

And these constitute the whole of the manufacturing establishments of that great district of country, much of it so long settled. There is, consequently, little or no employment for mind, and the consequence is, that all who desire to engage in other pursuits than those of agriculture fly to the South. There are now within the Union, it is said, not less than 200,000 Canadians, and with every day the tendency to emigration increases.* If we look to Nova Scotia and New Brunswick, it is the same. There is there no demand for intellect, and any man possessing it flies southward. Forty years since it was asked, "Who reads an American book?" That question has long since been answered; but it may now be repeated in reference to all the British provinces. Who reads a Canadian, a Nova-Scotian, or a New Brunswick book? Upper Canada has two paper-mills capable of producing about ten reams of paper per day, being, perhaps, a tenth of what is required to supply the newspapers of Cincinnati. Forty years since, the question might have been asked, Who uses an American machine?" and yet the machine shops of Austria and Russia are now directed by our countrymen, and the latest improvements in machinery for the conversion of wool into cloth are of American invention. The British provinces have had the *advantage* of perfect free trade with England, the consequence of which is, that they are almost destitute of paper-mills and printing-offices, and machine shops are unknown, while the Union has been *a prey to the protective system*, that "war upon labour and capital," the consequence of which is, that paper-mills and printing-offices abound to an extent unknown in the world, and almost equal in number and power to those of the whole world,† and machine shops exist almost everywhere. These differences are not due to any difference in the abundance or quality of land, for that of Upper Canada is yet to a great extent unoccupied, and is in quality inferior to none on the continent. They are not due to difference in other natural advantages, for New Brunswick has every advantage possessed by Maine and New Hampshire, and Nova Scotia has coal and iron ore more advantageously situated than any in the Union. They are not due to difference of taxation, for Great Britain has paid almost all the expenses of government. To what, then, can they be attributed, but to the fact that those provinces have been subject to *the monopoly system*, and compelled to waste their own labour while giving their *products* in exchange for the *services* of English men, women, and children, employed in doing for them what they could have better done themselves, and losing four-fifths of their products in the transit between the producer and the consumer? Place the colony within the Union—give it protection—and in a dozen years its paper-mills and its printing-offices will become numerous, and many will then read Canadian books.

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* Appendix to first Report of Board of Registration.

† Ibid.

In England, a large portion of the people can neither read nor write, and there is scarcely an effort to give them education. The colonial system looks to low wages, necessarily followed by an inability to devote time to intellectual improvement. Protection looks to the high wages that enable the labourer to improve his mind, and educate his children. The English child, transferred to this country, becomes an educated and responsible being. If he remain at home, he remains in brutish ignorance. To increase the productiveness of labour, education is necessary. Protection tends to the diffusion of education, and the elevation of the condition of the labourer.

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* "I do not exaggerate when I say that there are no less than 200,000 Canadians in the United States; and, unless efficacious means are taken to stop this frightful emigration, before ten years two hundred thousand more of our compatriots will have carried to the American Union their arms, their intelligence, and their hearts."—*Letter of Rev. Arthur Chiniquy.*

† The whole quantity of paper required to supply the newspaper press of Great Britain and Ireland is 170,000 reams; while that required for the supply of *four papers* printed in New York, Philadelphia, and Baltimore, is about 110,000. and the whole number of newspapers is about 2400.

At no period of our history has the demand for books and pictures, or the compensation of authors or artists, been less than in the period of 1842–43 At none have they grown so rapidly as from 1844 to 1847. They now tend downward, notwithstanding a demand that is still maintained by the power that yet exists of obtaining merchandise in exchange for certificates of debt. When that shall pass away, we shall see a recurrence of the events of the free trade period.

If we desire to raise the intellectual standard of man throughout the world, our object can be accomplished only by raising the value of man, as a machine, throughout the world. Every man brought here *is* raised, and every man so brought tends to diminish the supposed surplus of men elsewhere. Men come when the reward of labour is high, as they did between 1844 and 1848. They return disappointed when the reward of labour is small, as is now the case. Protection tends to increase the reward of labour, and to improve the intellectual condition of man.

CHAPTER TWENTY-THIRD.

HOW PROTECTION AFFECTS THE POLITICAL CONDITION OF MAN.

THE larger the return to labour, the greater will be the power to accumulate capital. The larger the proportion which capital seeking to be employed bears to the labourers who are to employ it, the larger will be the wages of labour, the greater the power of the labourer to accumulate for himself, and the more perfect will be his control over the disposition of his labour and the application of its proceeds, whether to private or to public purposes.

The freeman chooses his employer, sells his labour, and disposes of the proceeds at his pleasure. The slave does none of these things. His master takes the produce of his labour, and returns him such portion as suits his pleasure.

Throughout the world, and in all ages, freedom has advanced with every increase in the ratio of wealth to population. When the people of England were poor, they were enslaved, but with growing wealth they have become more free. So has it been in Belgium and in France. So is it now in Russia and Germany, and so must it everywhere be. India is poor, and the many are slaves to the few. So is it in Ireland. Freedom is there unknown. The poor Irishman, limited to the labours of agriculture, desires a bit of land, and he gives the chief part of the product of his year's labour for permission to starve upon the balance, happy to be permitted to remain on payment of this enormous rent. He is the slave of the land-owner, without even the slave's right to claim of him support in case of sickness, or if, escaping from famine, he should survive to an age that deprives him of the power of labouring for his support. England employs fleets, paid for out of taxes imposed on starving Irishmen, to prevent the people of Brazil from *buying* black men, and women, and children, on the coast of Africa, while holding herself ready to *give* white men, and women, and children, to any who will carry them from her shores, and even to add thereto a portion of the cost of their transportation; and this she does without requiring the transporter to produce even the slightest evidence that they have been delivered at their destined port in "good order and well-conditioned." When Ireland shall become rich, labour will become valuable, and man will become free. When Italy was filled with prosperous communities, labour was productive, and it was in demand; and then men who had it to sell fixed the price at which it should be sold. With growing poverty, labour ceased to be in demand, and the buyer fixed the price. The labourer then became a slave. If we follow the history of Tuscany, we can find men becoming enslaved as poverty succeeded wealth; and again may we trace them becoming more and more free, as wealth has grown with continued peace. So has it been in Egypt, and Sicily, and Spain. Everywhere poverty, or a deficiency of those aids to labour which constitute wealth, is, and has invariably been, the companion of slavery; and everywhere wealth, or an abundance of ploughs, and harrows, and horses, and cows, and oxen, and cultivated lands, and houses, and mills, is, and has invariably been the companion, and the cause, of freedom.

If protection be a "war upon labour and capital," it must tend to prevent the growth of wealth, and thus to deteriorate the political condition of man.

The farmer who exchanges his food with the man who produces iron by means of horses, wagons, canal-boats, merchants, ships, and sailors, gives much food for little iron. The iron man, who exchanges his products for food through the instrumentality of the same machinery, gives much iron for little food. The chief part of the product is swallowed up by the men who stand between, and grow rich while the producers remain poor. The growth of wealth is thus prevented, and inequality of political condition is maintained.

The farmer who exchanges directly with the producer of iron gives labour for labour. Both thus grow rich, because the class that desires to stand between has no opportunity of enriching themselves at their expense. Equality of condition is thus promoted.

The object of protection is that of bringing the consumer of food to take his place by the side of the producer of food, and thus promoting the growth of wealth and the improvement of political condition. That it does produce that effect, is obvious from the fact that, in periods of protection, such vast numbers seek our shores, and that immigration becomes stationary, or diminishes, with every approach towards that system which is usually denominated free trade.

The colonial system is based upon cheap labour. Protection seeks to increase the reward of labour. The one fills factories with children of tender years, and expels men to Canada and Australia; the other unites the men and sends the children to school.

The Irishman at home is a slave. He prays for permission to remain and pay in pounds sterling for quarters of acres, and his request is refused. Transfer him here and he becomes a freeman, choosing his employer and fixing the price of his labour. The Highlander is a slave that would gladly remain at home; but he is expelled to make room for sheep. One-ninth of the population of England are slaves to the parish beadle, eating the bread of enforced charity, and a large portion of the remaining eight-ninths are slaves to the policy which produces a constant recurrence of chills and fevers—overwork at small wages at one time, and no work at any wages at another. Transfer them here and they become freemen, selecting their employers and fixing the hours and the reward of labour. The Hindoo is a slave. His landlord's officers fix the quantity of land that he must cultivate, and the rent he must pay. He is not allowed, on payment even of the high survey assessment fixed on each field, to cultivate only those fields to which he gives the preference; his task is assigned to him, and he is constrained to occupy all such fields as are allotted to him by the revenue officers, and whether he cultivates them or not, he is saddled with the rent of all. If driven by these oppressions to fly and seek a subsistence elsewhere, he is followed wherever he goes and oppressed at discretion, or deprived of the advantages he might expect from a change of residence. If he work for wages, he is paid in money when grain is high, and in grain when it is low. He, therefore, has no power to determine the price of his labour. Could he be transferred here, he would be found an efficient labourer, and would consume more cotton in a week than he now does in a year, and by the change his political condition would be greatly improved.

Protection looks to the improvement of the political condition of the human race. To accomplish that object, it is needed that the value of man be raised, and that men should everywhere be placed in a condition to sell their labour to the highest bidder—to the man who will give in return the largest quantity of food, clothing, shelter, and other of the comforts of life. To enable the Hindoo to sell his labour and to fix its price, it is necessary to raise the price of his chief product, cotton. That is to be done by increasing the consumption, and that object is to be attained by diminishing the waste of labour attendant upon its transit between the producer and the consumer. Fill this country with furnaces and mills, and railroads will be made in every direction, and the consumption of cotton will speedily rise to twenty pounds per head, while millions of European labourers, mechanics, farmers, and capitalists will cross the Atlantic, and every million will be a customer for one-fourth as much as was consumed by the people of Great Britain and Ireland in 1847. The harmony of the interests of the cotton-growers throughout the world is perfect, and all the discord comes from the power of the exchangers to produce apparent discord.

It is asserted, however, that protection tends to build up a body of capitalists at the expense of the consumer, and thus produce inequality of condition. That such is the effect of *inadequate* protection is not to be doubted. So long as we continue under a *necessity* for seeking in England a market for our surplus products, her markets will fix the price for the world, and so long as we shall continue to be under a *necessity* for seeking there a small supply of cloth or iron, so long will the prices in her markets fix the price of all, and the domestic producer of cloth and iron will profit by the difference of freight both out and home. With this profit he takes the risk of ruin, which is of perpetual occurrence among the men of small capitals. Those who are already wealthy have but to stop their furnaces or mills until prices rise, and then they have the markets to themselves, for their poorer competitors have been ruined. Such is the history of many of the large fortunes accumulated by the manufacture of cloth and iron in this country, and such the almost universal history of every effort to establish manufactures south and west of New England.

Inadequate and uncertain protection benefits the farmer and planter little, while the uncertainty attending it tends to make the rich richer and the poor poorer, thus producing social and political inequality.

Adequate and certain protection, on the contrary, tends to the production of equality—first, because by its aid the *necessity* for depending on foreign markets for the sale of our products, or the supply of our wants, will be brought to an end, and thenceforth the prices, being fixed at home, will be steady, and then the smaller capitalist will be enabled to maintain competition with the larger one, with great advantage to the consumers—farmers, planters, and labourers; and, second, because its benefits will be, as they always have been, felt chiefly by the many with whom the price of labour constitutes the sole fund out of which they are to be maintained.

If we take the labour that is employed in the factories of the country, from one extremity to the other, it will be found that nearly the whole of it would be waste, if not so employed. If we take that which is employed in getting out the timber and the stone for building factories and furnaces, it will be found that a large portion of it would otherwise be waste. If we inquire into the operations of the farmer, we find that the vicinity of a factory, or furnace, enables him to save much of the labour of transportation, and to sell many things that would otherwise be waste. Thus far, the advantage would seem to be all on the side of the employed, and not on that of the employer.

Let us now suppose that all protection were abolished, and that perfect freedom of trade were established, and that the result were, as it inevitably would be, to close every factory, furnace, rolling mill, and coal-mine in the country, and see what would be the result. The owners of such property would lose a few millions of dollars of rents, or profits, but the supply of fuel would be less by three millions of tons, that of iron would be less by eight hundred thousand tons, and that of cotton cloth would be less by almost a thousand millions of yards. The demand for the labour now employed in the production of those commodities would be at an end, and the spare-labour of men, and women, and children, and wagons, and horses, and the various things now used in and about factories and furnaces, would then be wasted, coal and iron and cloth would be doubled in price, and labour would be diminished in a corresponding degree. The power to import iron, or coal, or cloth, would not be increased by a single ton, or yard, and the people would be compelled to dispense with necessaries of life that are now readily obtained. The capitalists, whose means were locked up in factories or furnaces, would suffer some loss; but the mass of persons possessed of disengaged capital, and the receivers of *State* dividends, would be able to command, for the same reward, a much larger quantity of labour than before.

The object of protection is that of securing a demand for labour, and its tendency is to produce equality of condition. The jealousy of "overgrown capitalists" has caused many changes of policy; but, so far as they have tended to the abolition of protection, they have invariably tended to the production of inequality. The wealthy capitalist suffers some loss; but he is not ruined. A change takes place, and he is ready to avail himself of it, and at once regains all that had been lost, with vast increase. The small capitalist has been swept away, and his mill is in a state of ruin. By the time he can prepare himself to recommence his business, the chance being past, he is swept away again, and perhaps for the last time.

For months past, the rate of interest on a certain species of securities has been very low. The wealthy man could borrow at four per cent.; the poor man, requiring a small loan on a second-rate security, could scarcely obtain it at any price. The man who has coal to sell, or iron to sell, must have the aid of middlemen to act as endorsers upon the paper received from his customers, and their commissions absorb the profits. The wages of the miner have been greatly reduced, while the profits of the speculator have been increased. The reason of all this is, that, throughout the nation, there prevails no confidence in the future. It is seen that we are consuming more than we produce; that our exports do not pay for our imports; that we are running in debt; that furnaces and mills are being closed; and every one knows what must be the end of such a system. Re-enact the tariff of 1842, and the trade of the middleman would be at an end, because confidence in the future would be felt from one extremity of the land to the other. Should we not find in this some evidence of the soundness of the principle upon which it was based? The system which gives confidence must be right; that which destroys it must be wrong.

Confidence in the future—Hope—gives power to individuals and communities. It is that which enables the poor man to become rich, and the character of all legislative action is to be judged by its greater or less tendency to produce this effect. A review of the measures urged upon the nation by the advocates of the system miscalled free trade, shows, almost without an exception they have tended to the destruction of confidence, and therefore to the production of the political revolutions referred to in the first chapter.

The direct effect of the insecurity that has existed has been to centralize the business of manufacture in one part of the Union and in the hands of a comparatively limited number of persons—such as could afford to take large risks, in hope of realizing large profits. Had the tariff of 1828 been made the settled law of the land, the Middle and Southern States would now be studded with factories and furnaces, and while the North and East would not have been less rich, they would be far richer, and the present inequality of condition would not now exist.

The power of the North, as compared with that of the South, is due to the jealousy of the former entertained by the latter, which has prevented the establishment of a decided system, having for its object the destruction of the English monopoly, and the ultimate establishment of perfect freedom of trade.

The object of the colonial system was that of taxing the world for the maintenance of a great mercantile, manufacturing, and landed aristocracy, and the mode of accomplishment was that of securing a monopoly of machinery. The object of protection is to break down that monopoly, and with it the aristocracy that collects for the people of Great Britain and the world those immense taxes, to be appropriated to the payment of fleets and armies officered by younger sons, and kept on foot for the maintenance of the existing inequality in Great Britain, Ireland, and India. All, therefore, who desire to see improvement in the political condition of the people of the world should advocate the system which tends to break down monopoly and establish perfect freedom of trade.

CHAPTER TWENTY-FOURTH.

HOW PROTECTION AFFECTS CREDIT—INDIVIDUAL AND NATIONAL.

THE existence of credit is evidence of the existence of confidence that the man who desires to obtain for a time the use of property intends to return it. The more universal this confidence, the more readily can the capitalist place his funds, and the larger will be the return. The more universal it is, the more readily can the labourer obtain the necessary aids to labour, and the more productive will be that labour. If protection be "a war upon labour and capital," it must tend to destroy the confidence of man in his fellow-man.

The object of protection is that of bringing the consumer to take his place by the side of the producer, exchanging labour for labour, and thus diminishing the *necessity* for credit. Its effect is to diminish the machinery of exchange, and thus to increase the productiveness of labour, and with it the *power* to obtain credit.

The object of the monopoly system is that of separating the consumer from the producer, and *compelling* both to repose confidence in distant men, thus increasing the *necessity* for credit. Its effect is that of increasing the machinery of exchange, and diminishing the productiveness of labour, and thus diminishing the *power* to obtain credit.

That such is its effect in the colonies of Great Britain, we know. In India, once so wealthy, the ordinary rate of interest is twelve per cent.; but the poor cultivator borrows seed at the rate of one hundred per cent. Credit there has no existence, and yet almost the whole exchanges of the country are made at a distance of many thousands of miles, by men in whom the consumer and producer are *compelled* to repose confidence.

In the West Indies, credit has almost entirely disappeared. In Canada, even the government cannot effect loans without a guaranty from parliament. So is it throughout the whole range of colonies.

At home, capital is cheap, because of the want of general confidence. The capitalist takes two per cent.; but the labourer could not borrow at thirty per cent. The capitalist that owns machinery is enabled to dictate the terms upon which it shall be used by those who work. Sometimes he employs many work-people. At others few. Sometimes he works long time, and at others short time. At all times his people obtain but a small proportion of the products of labour; but at many times they obtain but *a very* small proportion, while at others they are unable to obtain the use of machinery at any price.

Abroad, the credit of English merchants is falling daily. But recently, there were in the great city of Liverpool, scarcely half a dozen houses that could be trusted with a cargo of cotton. Such are the effects of the system in which "Commerce is king," and the consumer and the producer are placed at the mercy of the exchanger.

At no period in this country did confidence grow more rapidly than in the period between 1830 and 1834. At none did it decline with such rapidity as between 1835 and 1842. With the action of the tariff of 1842, it was restored, but with that of 1846 it again declines. There is no demand for capital, and it is cheap. There is little demand for labour, and it too is cheap.

Never, probably, since the settlement of the country, did the poor man find so much difficulty in obtaining the aid of capital, as in 1842, the period of free trade. Never has he found it more easy than between 1844 and 1847. The period of distrust has again arrived. Money is said to be abundant, but the security must be undoubted, and the poor man pays two per cent. a month for the use of capital that the rich man cannot invest to produce him more than four per cent. per annum. There is no confidence existing.

"Notwithstanding the cheapness and abundance of money," says the New York Herald, "no one seems disposed to touch any thing in the way of speculation, and capitalists prefer loaning money at four per cent. interest, on good security, to purchasing stocks at present prices. They say that when they lend money on first-rate security, at a low rate of interest, they are sure of the principal and a small amount of interest, when they want it."

The re-establishment of the tariff of 1842 would restore confidence, and produce a demand for labour, and wages would rise—and a demand for capital, the price of which would also rise, and thus it would appear that in protection is to be found the harmony of interest between the labourer and the capitalist.

NATIONAL CREDIT.

From 1830 to 1835, the national credit grew, for we paid for what we imported. From 1835 to 1840, credit declined, for we ran largely in debt for cloth and iron, for which our exports could not pay. In 1842, national credit disappeared, for we were unable to pay even the interest on our debts. From 1843 to 1848, national credit grew, for we paid interest and commenced the reduction of the debt. In the last two years we have gone largely in debt, and must now either diminish our imports or run further into debt.

How long we can continue to do this, does not depend upon ourselves. Any circumstance producing a change in the rate of interest in Europe, would cause our certificates of debt to be returned upon us for payment, and what then would be the state of the national credit? A nation that is largely in debt is always in danger of losing its credit.

CHAPTER TWENTY-FIFTH.

HOW PROTECTION AFFECTS REVENUE AND EXPENDITURE.

THE more men live and work in connection with each other, the greater is their *power* to protect themselves. The more widely they are separated from each other, the greater is their *necessity* for seeking protection from others.

The more they live in connection with each other, the larger will be the product of their labour, and the greater will be their power to contribute towards the maintenance of peace and order. The less they live in connection with each other, the less productive will be their labour, and the less will be their power to contribute to that object.

With every increase in the productiveness of labour, the power of self-government thus increases, with increased power to contribute towards the expenditures incident to the maintenance of government; and with every diminution therein, the power of self-government decreases, with diminished power to contribute towards the public revenue required for paying others for performing the duties of government.

If protection be, as is asserted, a "war upon labour and capital," it must increase the necessity for government by others, and diminish the power to contribute towards its maintenance.

The object of protection is, however, that of enabling men to live in connection with each other, the consumer taking his place by the side of the producer, each protecting, and protected by, the other. This would seem to diminish the *necessity* for seeking protection from others. Another object of protection is that of enabling men to exchange with each other, giving labour for labour, without paying so many persons for standing between them. This would seem calculated to increase their power to pay for protection, should it be needed.

The object of the monopoly system—now known by the name of free trade—is that of separating the consumer from the producer, and diminishing their power to protect each other. Their exchanges are to be always made in distant markets, and many wagons, ships, and men are to stand between, for the care of which fleets and armies are needed. This would seem to increase their *necessity* for protection, while the diminished power of combination of action would seem to tend to decrease their *power* of paying for protection.

How stand the facts? The question will be answered by placing side by side the expenditures under the different systems:—

Protection.	Per annum.	Free trade.	Per annum.
1829 to 1834	$16,800,000	1834 to 1841	$31,700,000
1843 to 1845	20,700,000	1846 to 1849	44,500,000

The necessity for contributing towards the support of government seems to have increased with the approach towards free trade, and to have diminished as we approached protection.

The revenue from customs in the several periods, was as follows:—

	Per head.		Per head.
1830 to 1834	$1·75	1835 to 1841	0·84½
1843 to 1847	1·36	1848–49	1·—

I exclude here the year 1847–48, because it was an entirely exceptional one. We had imported a large amount of free goods—specie—in the preceding year, and we exported it again in 1847–48, to exchange for duty-paying ones, and the whole amount of duty received upon the goods so obtained in exchange, should be added to the revenue of 1846–47.

The power to *contribute* towards the revenue certainly decreased in the years of free trade, and precisely as the *necessity* for contributions increased. The amount actually paid was greater than is here set down, because the government collected, between 1834 and 1841, a large amount of duties upon goods received in exchange for certificates of debt; but that was merely a payment in advance of production, and the consequence of receiving such payment was, that it was nearly bankrupt in 1842, and compelled to borrow almost thirty millions to provide for the continuance of its own existence.

We are now doing the same thing. The amount of debt incurred in the last year was not less than twenty-two millions, and upon this the government obtained duties, as before, *in advance of production,* to the extent of almost seven millions. If the power to buy on credit were now to cease, the amount collected would fall to twenty-two millions. Were the debt contracted last year now to be paid, it would fall to fifteen millions, and a large addition would have to be made to the public debt, as in 1841–42. How long a time is to elapse before such will be the state of things, it is not for me to predict; but if we make this year a further addition of twenty millions to our foreign debt, and close as many furnaces as we did in the last one, the day for it cannot be far distant.

The power to contribute towards the maintenance of government depends upon the power of production, and every circumstance tending to diminish the one tends equally to the diminution of the other. The power of production is now rapidly diminishing, and must continue so to do.

Such likewise is the case in England. From year to year the payment of taxes is becoming more and more onerous, notwithstanding so large a portion of them is thrown upon the farmers and planters of the earth, by aid of the system under which they are compelled to give more food, cotton, tobacco, and sugar, for less and less cloth and iron; and yet from year to year the expenditures have been increasing. Poverty produced rebellion in Ireland, and chartism in England, and thus increased the necessity for soldiers and sailors. The exhaustion of the older provinces of India led to a desire for Affghanistan, Scinde, and the Punjaub; and the failure of a market for labour in the form of cotton, drove the Hindoo to opium, which led to a war in China, and thus was made a demand for fleets and armies. The poverty of Canada led to rebellion, and to the building of forts and ships. The anxiety to secure foreign markets has led to immense expenses for steamships and mail steamers, and thus the more the system tends to fail, the greater is the expenditure for its maintenance, and the less the ability of the people of England, and the farmers and planters of the world, to contribute thereto.

Let us now look to the other source of our national revenue—the PUBLIC lands.

The higher the value of labour, the more of it will be brought here for sale. The more people come here, the more land will be required. The larger and more valuable the freights homeward, the less will be the cost of freight outward, and the more numerous will be the commodities that can be exported to pay for those we may choose to import.

Were we now importing a million of men annually, the sales of land would soon reach ten millions of acres per annum. That point we should now reach in five years of perfect and fixed protection, and but few more years would be required to double both the importation of men and the sales of public lands. Here is a vast source of public revenue.

Perfect protection would, by degrees, diminish the import of cottons, iron, and other duty-paying goods, but we should consume treble or quadruple the quantity of coffee, tea, and the raw materials for the production of which the soil or climate of the country is not suited, and thus should we raise the value of labour employed in agriculture throughout the world.

It is asked, "If we converted all our cotton into cloth, what would Europe produce to pay us for it?" In answer, it may be said that the object of protection is that of enabling the consumer of food to take his place by the side of the producer of food, not to separate them. It is to our interest that the people of England should supply themselves with clothing made by men who eat the food of England, and that such should be the case with those of Germany and Russia, Spain and Italy, and with every step in their progress they would need more cotton. To pay for it, they would employ their labour in the production of thousands of articles of taste and luxury, of which we should then consume immense quantities, and therewith there would be improvement of taste, refinement of feeling, elevation of character, and increase of individual and national strength, of which now we can form no conception.

Upon such commodities the duties would be moderate, and, as the imports of the more bulky of the duty-paying articles diminished, the customs' revenue would gradually decline, until at length the *necessity* for custom-houses would pass away, the *power* to maintain government with the land revenue having grown to take its place, and thus might be realized the wonderful idea of the government of an immense nation maintained without the necessity for a single man employed in the collection of taxes.

It would thus appear that between the interests of the treasury and the people, the farmer, planter, manufacturer, and merchant, the great and little trader and the shipowner, the slave and his master, the landowners and labourers of the Union and the world, the free trader and the advocate of protection, there is perfect harmony of interests, and that the way to the establishment of universal peace and universal free trade, is to be found in the adoption of measures tending to the destruction of *the monopoly of machinery*, and the location of the loom and the anvil in the vicinity of the plough and the harrow.

CHAPTER TWENTY-SIXTH.

HOW PROTECTION AFFECTS THE GOVERNMENT.

THE man whose labour is productive, and whose habits are economical, enjoys the confidence of the world; while he whose labour is unproductive, and whose habits are wasteful, is looked upon with distrust. With the one, each day is marked by an increase of strength; while with the other it is marked by an increase of weakness.

So is it with communities. The peaceful and industrious grow rich and strong. The warlike and wasteful become poor and weak.

If protection be "a war upon the labour and capital of the world," it must tend to cause diminution of wealth and strength, and the *monopoly system* of England must tend to the augmentation of both.

At no anterior period had the wealth and strength of this country grown with the rapidity with which it grew from 1830 to 1835. The nation was at peace and all were employed. At no period has decline been so obvious, or the descent more complete than in the period which followed. The nation was at war, and production declined until in many departments of industry it almost ceased. The name of America became almost a by-word for weakness and want of faith. In the four succeeding years, the recovery was such as to be almost marvellous, and then it was that the power of the nation first began to be admitted. That period has been followed by one of war and waste, and largely increased expenditure, rendering necessary the collection of large revenues, while production is diminishing. The people and the government are now living on borrowed money, and how long they can continue to borrow is uncertain. The revenue from customs in the year ending in June last was $28,436,000

Of which there was collected on goods purchased with certificates of debt 6,600,000

To meet the demands of the government for the present year, the whole sum of $28,000,000 would be required, and, if we should cease to be able to purchase merchandise on credit, the government would be driven again to the raising of money by means of loans, and if at the same time the debts now being created were sent back upon us for payment, the present year might witness a repetition of the troubles of 1841 and 1842.

During the existence of the tariff of 1842, the government paid its way, and therefore it was strong. It is now carried on on credit, and therefore it is becoming weak. To the extent of the foreign debt created, the country has eaten and drunk and used that for which it has yet to pay, and the government has had its thirty per cent.; but a demand for payment would at once reduce the imports as much below the exports as they now exceed them, and the government would find its revenue decreased to the full extent of the present excess.

The contrast presented, on a review of the history of Great Britain and this country, is most instructive. Sixty years since, the former was rich and populous, while the latter was poor and its population was small and widely scattered. In wealth, the Union already exceeds her competitor, and in population it will do so at the close of the next decennial period.

The reason of this is to be found in the fact, that the policy of the one has tended to the separation of the consumer from the producer, while that of the other has, to some extent, tended towards bringing them together. The English system is based upon "ships, colonies, and commerce," and, in carrying it out, her colonies have been in succession exhausted. Ireland now lies prostrate and helpless—a burden upon her hands—an encumbrance rather than an advantage. Poverty and distress are coming gradually nearer and nearer home, while she is encumbered with an enormous debt, no part of which can she pay, and the interest upon which is yet paid only by aid of a series of repudiations quite as discreditable as those with which she is accustomed to charge upon Mississippi and Florida.*

The American system is based upon agriculture, the work of production, and its object has been that of producing prosperous agriculture, by bringing the consumer to take his place by the side of the producer, and thus establishing that great commerce which is performed without the aid of ships or wagons. By aid of that system the original thirteen States have planted numerous colonies, all of which have grown and thriven, giving and receiving strength, while those of England, so long the subjects of immense taxation, are now everywhere a cause of weakness. All desire to abandon her, while all would desire to unite with us, and were they at liberty to exercise their inclinations, the sway of the Queen of Great Britain would, probably, at the close of the present year, be limited to that island alone, with its twenty or twenty-two millions of inhabitants.

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* The great expansion of the Bank of England in 1839, was followed by the destruction of confidence among individuals to so great an extent that the three per cents went up to par, and the government availed itself of the opportunity to compel the holders of the four and a half per cents to take in exchange new certificates, bearing three and a half per cent. Shortly after the threes fell to eighty. The last expansion has brought about a similar state of things. Confidence is destroyed, and trade is paralyzed, and the threes are again almost at par; and it is now suggested that a new arrangement may be made by which the government may be enabled to repudiate a further portion of the interest on the debt.

The *free trade* of England consists in the maintenance of *monopoly*, and therefore is it repulsive. The protective system of this country looks to the breaking down of monopoly, and the establishment of *perfect free trade*, and therefore is it attractive.

The one looks to "cheap" labour, and therefore does it expel individuals as well as communities. The other looks to raising the value of labour, and therefore does it attract both individuals and communities.

Protection tends to the maintenance of peace, and the increase of wealth and power. The colonial system tends to the production of causes of war, and the diminution and ultimate destruction of both wealth and power.

Between the views of those who would desire to see their government strong for defending them in the enjoyment of all their rights in relation to the other communities of the world, and those of others who desire to see the government peacefully and economically administered, there is therefore perfect harmony.

CHAPTER TWENTY-SEVENTH.

HOW PROTECTION AFFECTS THE NATION.

THE man whose labour is productive, exercises the power of self-government, which increases with every increase in the productiveness of his labour. With every diminution in his power of production, he loses more and more the power of self-government, and ultimately becomes a slave.*

So is it with nations. With every increase in the productiveness of their labour, they are more enabled to determine for themselves their own course of action, uninfluenced by that of surrounding nations. With every diminution therein, they are more and more compelled to shape their course of action by that of others, losing the power of self-government.

With the diminished *necessity* for combination with their neighbours, there is an increased *power* for voluntary combination, (annexation,) tending still further to increase the return to labour. With increased *necessity* for combination, there is diminished *power* for voluntary combination, with diminished return to labour.

If protection be "a war upon labour and capital," it must diminish the power of voluntary union, and increase the necessity for uniting our efforts with those of distant nations. If the English monopoly system tend to increase the value of labour and capital, it must tend to increase the power of voluntary union, and diminish the necessity for involuntary union.

Of all the nations of the world, there is, at the present time, not one that exercises in a less degree the power of self-government than that of Great Britain. For the last thirty years, her policy has been dictated by others. The repeal of the laws prohibiting the export of machinery was a matter of necessity, and so have been, in succession, all the laws relative to duties on imports. The duty on cotton was abolished because other nations had obtained machinery. Slave-grown cotton was admitted duty free, while slave-grown sugar was subjected to heavy duties, because a supply of cotton was matter of necessity. The restrictions on slave-grown sugar were abandoned, because the abandonment was necessary. The navigation laws have, step by step, been abandoned, as matter of necessity. The corn laws were repealed because it was deemed necessary to conciliate the growers of corn into becoming large purchasers of cloth and iron. With each step in her progress, pauperism and crime increase, and the necessity for places of banishment for criminals increases, and with each there is increased difficulty in finding places willing to receive them. Having exhausted Van Diemen's land,* and Norfolk Island, the Cape was recently selected for the purpose, but the colonists have set an example of successful resistance that will be elsewhere followed. Canada is now to be set free, and Ireland is to be retained, neither of them of choice, but both as matters of necessity. The nation has lost the power of self-government. Its policy is being dictated to it by the other nations of the world. The tendency to voluntary union has ceased to exist, and each day brings with it new evidence that the dissolution of the British empire is at hand.

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* "The transition from absolute freedom to a state of slavery is now in progress among the Arabs of Mesopotamia, owing to diminished power of obtaining the means of subsistence by the modes heretofore pursued. The poor and the weak are enslaved by those who are stronger and more wealthy."—*Spectator*, *March*, 1840.

If such is the case with the owners of the loom and the anvil, how is it with their subjects who hold the plough and follow the harrow? Ireland has no power of self-government. She is a mere machine in the hands of those who perform the duties of government. Poor-laws are inflicted upon her to such an extent as almost to amount to a confiscation of property, and then other laws are passed to authorize commissioners to take possession of, and sell, a large portion of the property of the kingdom, thus encumbered.

The West Indies were gradually exhausted under the system, and their people despoiled of their property by virtue of laws passed by men who paid no portion of the enormous loss thus inflicted upon their fellow-subjects. The people of Canada have had new systems inflicted upon them with a view to the maintenance of peace, but peace there is none. All desire to obtain the right of self-government, the first step in which will be resistance to the monopoly system.

Of all the colonies of England, the only one that has prospered is this Union, and it has so done, because it has, in a certain degree, exercised the power of self-government, manifested by a determination to bring the loom and the anvil to take their natural places by the side of the plough and the harrow. Hence it is that every colony of Great Britain, Ireland included, desires annexation to us and separation from her. The tendency to voluntary union exists in a degree exceeding any thing that the world has yet seen. Nevertheless, we are yet but little more than a colony. Our people have no control over their own actions. They are almost as dependent upon the will of those who now desire, though vainly, to guide the movements of England, as are those of Canada.

If the people of that country determine to make railroads, iron rises in price, and we build furnaces and open coal mines, and import people to make iron and mine coal. If they cease to make roads, we shut up our furnaces and mines, and then the iron men and the coal men have to endeavour to raise food. If they ask a high price for cloth, we build mills. If employment become scarce with them, and their people cease to consume cloth, we close our mills, and our operatives are condemned to idleness. If the Bank of England make money cheap, we buy iron and cloth on credit; if it make it dear, we are called upon for payment, and then we break. If employment for capital be denied at home, our houses and lands rise in price; if capital become scarce, our houses and lands fall in value. If we build mills and furnaces, our people stay at home; if we close them, they scatter abroad. If money be cheap in England, our government obtains a large revenue from duties on the goods that are bought on credit; if it be dear, the revenue falls off, and the government begs for loans in Europe. The value of every thing, and the movement of every thing, in this country, are settled by the movement of the Bank of England, of all the large institutions of the world the one in the government of which there is manifested the least capacity; and the one, consequently, that possesses in the smallest degree the power of self-government. Four times in thirty years has it been on the verge of bankruptcy, and yet to its car and that of the government of England, now floundering in a sea of troubles, is this Union attached by aid of the system now known by the name of free trade.

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* "Thither nearly the whole convict population of Great Britain and Ireland, about 3500 annually in number, were sent for several years. * * The consequence was, that ere long *three-fifths* of the inhabitants of the colony were convicts. * * The morals of the settlement, thus having a majority of convicts, were essentially injured. Crimes unutterable were committed; the hideous inequality of the sexes induced its usual and frightful disorders; the police, how severe and vigilant soever, became unable to coerce the rapidly increasing multitude of criminals; the most daring fled to the woods, where they became bush-rangers; life became insecure, and property sank to half its former value."—*Blackwood's Magazine, November*, 1819. "At present, there are, or at least should be, above 5000 criminals annually transported from the British Islands."—*Ibid.*

For thus relinquishing the power of self-government, there should be a large consideration; yet all that we receive from Europe in return for all we send her is fifty cents' worth of iron, half a pound of wool, as much flax, an ounce or two of silk, a cup and saucer, and the weaving and twisting of a pound and a half of cotton, per head, all of which could be produced or performed here by fewer people than have come here in a single year, when we have made a market for their labour. Half a million of people would produce treble the flax, the wool, the silk, and the iron, the china-ware, and spin and weave treble the quantity of silk, wool, flax, and cotton, that we receive from Europe in return for all the land and labour employed in producing the cotton, tobacco, rice, grain, butter, cheese, pork, and other commodities that we send to that quarter of the world; and that half million would consume almost as much cotton as is now consumed by all the people of Ireland, besides being customers to the farmer for fifty millions of dollars' worth of food, timber, and other of the products of the soil. We thus relinquish the power of self-government, not only without receiving an equivalent, but we give our property without an equivalent, and therefore it is that the farmers and planters of the Union remain poor when they might become rich.

Rich they would grow, for the people thus imported would require a vast amount of shipping, and cotton, rice, and tobacco would go cheaply abroad, while a vast consumption at home would maintain the price, and both farmer and planter would be enabled to consume more largely of coffee, tea, silks, books, pictures, gold, silver, and all other articles of necessity or luxury not produced at home, and the producers of those commodities would consume more cloth and iron, both of which we should then produce so cheaply that we could send them abroad, and thus would come wealth and prosperity, happiness and independence.

To the consciousness of the necessity for protection against the monopoly system was due the state of feeling that led to the Revolution. Resistance to oppression led, on various occasions, to non-importation resolutions, and the people were everywhere urged to endeavour to clothe themselves. The necessity for protection was recognised by the early Congresses, and its importance urged upon them by every administration.

Fifty years since, power changed hands; but with the accession of Mr.

Jefferson came no change of policy. He thought "the manufacturer should take his place by the side of the agriculturist." From that time, for a period of thirty-six years, every chief magistrate, *elected by the people*, was from the planting States of the Union, and all of them elected by the same party that elected Mr. Jefferson, and each and every one of them was an advocate of the system which tended to bring the loom to the neighbourhood of the plough, and thus to make a market on the land for the products of the land. By the last of these, his views on this subject were forcibly expressed in a letter that has frequently been published, and from which the following is an extract:

> "I will ask, what is the real situation of the agriculturist? Where has the American farmer a market for his surplus produce? Except for cotton, he has neither a foreign nor home market. Does not this clearly prove, when there is no market either at home or abroad, that there is too much labour employed in agriculture, and that the *channels for labour should be multiplied?* Common sense points out at once the remedy; draw from agriculture this superabundant labour, employ it in mechanism and manufactures, thereby creating a home market for your breadstuffs, and distributing labour to the most profitable account, and benefits to the country will result. Take from agriculture in the United States six hundred thousand men, women, and children, and you will at once give a home market for more breadstuffs than all Europe now furnishes us. In short, sir, we have been too long subject to the policy of British merchants. It is true that we should become a little more Americanized, and, instead of feeding the paupers and labourers of England, [as we do by sending there for her manufactures,] feed our own; or else, in a short time, by continuing our present [free trade] policy, we shall all be rendered paupers ourselves."—*President Jackson.*

At the close of that period there was a change of policy. Elected by the same party that had elected his predecessor, Mr. Van Buren adopted the policy which tends to the separation of the consumer from the producer, to the impoverishment of the land and its owner, and the maintenance of the monopoly system by which England had acquired the control of the movements of the world. The effects were disastrous, as may be seen by all who study the diagrams given in the third chapter, and the consequence was a political revolution. For the first time in forty years, a president was elected by the people not being of the party generally known as that of the Democrats. Democracy had changed sides, and the people did not go with it. The consequence of this was, nearly two years later, a return to the policy of protection and a restoration of prosperity, and with prosperity the party that had so long controlled the movements of the country was again restored to power. Unwilling, however, to acknowledge that the revolution of 1840 had been the consequence of an error of policy, they ascribed it to various minor and insignificant causes, and proceeded to the enaction of the tariff of 1846, and the consequence was another revolution by which the party of protection was again restored to power. Like the former, that revolution is now ascribed to minor causes; but those who will study the diagrams to which I have above referred can scarcely fail to see that it was due to the fact that the party styled Democratic had espoused a course of policy that tended to diminish the value of labour, to degrade the labourer, to depress the democracy at home, and to maintain the aristocracy abroad; nor can they, as I think, fail to arrive at the belief that no party adverse to protection can again hold power in this country. Such being the case, the interest of both parties, if actuated solely by purely selfish considerations, would lead to the advocacy of the same course of policy—the one in power desiring that it might not be adopted, and that thus they might profit by the agitation of the question for maintaining themselves in authority, and the one out of power, that it might be settled, and the agitation of the question brought to a close.

CONCLUSION.

Much is said of "the mission" of the people of these United States, and most of it is said by persons who appear to limit themselves to the consideration of the *powers* of the nation, and rarely to think of its *duties*. By such men the grandeur of the national position is held to be greatly increased by having expended sixty or eighty millions upon a war with a weak neighbour, and having thus acquired the power to purchase, at a high price, a vast body of wild land that would, in the natural course of events, have been brought within the Union, in reasonable time, without the cost of a dollar or a life. By such men, the fitting out of expeditions for the purpose of producing civil war among our neighbours of Cuba, is held to be another evidence of grandeur. Others would have us to mix ourselves up with all the revolutionists of Europe; while a fourth and last set sigh at the reflection that our fleets and armies are too small for the magnificence of our position.

By some it is supposed that our "mission" is that of monopolizing the commerce of the world, and the time is anxiously looked for when we shall have "diplomatic relations" with "vast regions of the East," Persia, Corea, Cochin-China, Burmah and Japan, with whom "nothing but the steam-ship can successfully introduce our commerce." By "persevering and successful efforts," it is thought we may secure the "commerce of Japan." That done,

> "New York," it is thought, "would become the depôt and storehouse and entrepots of the world, the centre of business and exchanges, the clearing house of international trade and business, the place where assorted cargoes of our own products and manufactures, as well as those of all foreign countries, would be sold and reshipped, and the point to which specie and bullion would flow, as the great creditor city of the world for the adjustment of balances, as the factor of all nations and the point whence this specie would flow into the interior of our country through all the great channels of international trade and intercourse. With these great events accomplished, and with abundant facilities for the warehousing of foreign and domestic goods at New York, it must eventually surpass in wealth in commerce, and population, any European emporium, whilst, as a necessary consequence, all our other cities and every portion of the Union and all our great interests, would derive corresponding advantages."—*Treasury Report*, *December*, 1848.

The cost of a mission to Japan would build half a dozen furnaces that would add more to the wealth of the nation in five years than the commerce of that country would do in half a century. The amount we have expended on the mission to Austria, in search of a market for tobacco, would bring here as many Germans as would consume almost as much of our tobacco as is now consumed in the empire, and those tobacco consumers would do more for the growth of New York than either Japan or Austria.

The English doctrine of "ships, colonies, and commerce" is thus reproduced on this side of the Atlantic, and its adoption by the nation would be followed by effects similar to those which have been already described as existing in England. There, for a time, it gave the power to tax the world for the maintenance of fleets and armies, as had before been done by Athens and by Rome, and there it is now producing the same results that have elsewhere resulted from the same system, poverty, depopulation, exhaustion, and weakness.

But little study of our history is required to satisfy the inquirer that the power of the Union, and its magnificent position among the nations of the earth, are due to the fact that we have to so great an extent abstained from measures requiring the maintenance of fleets and armies. The consequence has been that taxes have been light, capital has accumulated rapidly, labour has been productive, and the labourer has received wages that have enabled him to feed, clothe, and educate his children, and the nation has thus performed its true "mission" in elevating the condition of man. If we desire to find exceptions to this, we must look to those periods in which the policy of Washington, Jefferson, Madison, Monroe, and Jackson, was departed from, and when the government adopted measures tending to the maintenance of the English monopoly of machinery, and there we shall find taxes more heavy, capital accumulating more slowly, labour more unproductive, and the wages of labour so much depressed that the labourer finds it difficult to feed or clothe his children, and still more difficult to educate them.

Two systems are before the world; the one looks to increasing the proportion of persons and of capital engaged in trade and transportation, and therefore to diminishing the proportion engaged in producing commodities with which to trade, with *necessarily* diminished return to the labour of all; while the other looks to increasing the proportion engaged in the work of production, and diminishing that engaged in trade and transportation, with increased return to all, giving to the labourer good wages, and to the owner of capital good profits. One looks to increasing the quantity of raw materials to be exported, and diminishing the inducements to the import of men, thus impoverishing both farmer and planter by throwing on them the burden of freight; while the other looks to increasing the import of men, and diminishing the export of raw materials, thereby enriching both planter and farmer by relieving them from the payment of freight. One looks to giving the *products* of millions of acres of land and of the labour of millions of men for the *services* of hundreds of thousands of distant men; the other to bringing the distant men to consume on the land the products of the land, exchanging day's labour for day's labour. One looks to compelling the farmers and planters of the Union to continue their contributions for the support of the fleets and the armies, the paupers, the nobles, and the sovereigns of Europe; the other to enabling ourselves to apply the same means to the moral and intellectual improvement of the sovereigns of America.* One looks to the continuance of that *bastard* freedom of trade which denies the principle of protection, yet doles it out as revenue duties; the other to extending the area of *legitimate* free trade by the establishment of perfect protection, followed by the annexation of individuals and communities, and ultimately by the abolition of custom-houses. One looks to exporting men to occupy desert tracts, the sovereignty of which is obtained by aid of diplomacy or war; the other to increasing the value of an immense extent of vacant land by importing men by millions for their occupation. One looks to the *centralization* of wealth and power in a great commercial city that shall rival the great cities of modern times, which have been and are being supported by aid of contributions which have exhausted every nation subjected to them; the other to *concentration*, by aid of which a market shall be made upon the land for the products of the land, and the farmer and planter be enriched. One looks to increasing the necessity for commerce; the other to increasing the power to maintain it. One looks to underworking the Hindoo, and sinking the rest of the world to his level; the other to raising the standard of man throughout the world to our level. One looks to pauperism, ignorance, depopulation, and barbarism; the other to increasing wealth, comfort, intelligence, combination of action, and civilization. One looks towards universal war; the other towards universal peace. One is the English system; the other we may be proud to call the American system, for it is the only one ever devised the tendency of which was that of ELEVATING while EQUALIZING the condition of man throughout the world.

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* Russia is now raising by loan five millions of pounds sterling to pay the expenses of the war in Hungary. The farmers and planters of the Union are the chief contributors to this loan

SUCH is the true MISSION of the people of these United States. To them has been granted a privilege never before granted to man, that of the exercise of the right of perfect self-government; but, as rights and duties are inseparable, with the grant of the former came the obligation to perform the latter. Happily their performance is pleasant and profitable, and involves no sacrifice. To raise the value of labour throughout the world, we need only to raise the value of our own. To raise the value of land throughout the world, it is needed only that we adopt measures that shall raise the value of our own. To diffuse intelligence and to promote the cause of morality throughout the world, we are required only to pursue the course that shall diffuse education throughout our own land, and shall enable every man more readily to acquire property, and with it respect for the rights of property. To improve the political condition of man throughout the world, it is needed that we ourselves should remain at peace, avoid taxation for the maintenance of fleets and armies, and become rich and prosperous. To raise the condition of woman throughout the world, it is required of us only that we pursue that course that enables men to remain at home and marry, that they may surround themselves with happy children and grand-children. To substitute true Christianity for the detestable system known as the Malthusian, it is needed that we prove to the world that it is population that makes the food come from the rich soils, and that food tends to increase more rapidly than population, thus vindicating the policy of God to man. Doing these things, the addition to our population by immigration will speedily rise to millions, and with each and every year the desire for that perfect freedom of trade which results from incorporation within the Union, will be seen to spread and to increase in its intensity, leading gradually to the establishment of an empire the most extensive and magnificent the world has yet seen, based upon the principles of maintaining peace itself, and strong enough to insist upon the maintenance of peace by others, yet carried on without the aid of fleets, or armies, or taxes, the sales of public lands alone sufficing to pay the expenses of government.

To establish such an empire—to prove that among the people of the world, whether agriculturists, manufacturers, or merchants, there is perfect harmony of interests, and that the happiness of individuals, as well as the grandeur of nations, is to be promoted by perfect obedience to that greatest of all commands, "Do unto others as ye would that others should do unto you,"—is the object and will be the result of that mission. Whether that result shall be speedily attained, or whether it shall be postponed to a distant period, will depend greatly upon the men who are charged with the performance of the duties of government. If their movements be governed by that enlightened self-interest which induces man to seek his happiness in the promotion of that of his fellow-man, it will come soon. If, on the contrary, they be governed by that ignorant selfishness which leads to the belief that individuals, party, or national interests, are to be promoted by measures tending to the deterioration of the condition of others, it will be late.

THE END.

LETTERS

ON

INTERNATIONAL COPYRIGHT:

BY

H. C. CAREY,

AUTHOR OF "PRINCIPLES OF SOCIAL SCIENCE," ETC. ETC.

SECOND EDITION.

NEW YORK:
PUBLISHED BY HURD AND HOUGHTON,
459 Broome Street.
1868.

PREFACE.

At the date, now fourteen years since, of the first publication of these letters, the important case of authors *versus* readers — makers of books *versus* consumers of facts and ideas — had for several years been again on trial in the high court of the people. But few years previously the same plaintiffs had obtained a verdict giving large extension of *time* to the monopoly privileges they had so long enjoyed. Not content therewith, they now claimed greater *space*, desiring to have those privileges so extended as to include within their domain the vast population of the British Empire. To that hour no one had appeared before the court on the part of the defendants, prepared seriously to question the plaintiffs' assertion to the effect that literary property stood on the same precise footing, and as much demanded perpetual and universal recognition, as property in a house, a mine, a farm, or a ship. As a consequence of failure in this respect there prevailed, and most especially throughout the Eastern States, a general impression that there was really but one side to the question; that the cause of the plaintiffs was that of truth; that in the past might had triumphed over right; that, however doubtful might be the expediency of making a decree to that effect, there could be little doubt that justice would thereby be done; and that, while rejecting as wholly *inexpedient* the idea of perpetuity, there could be but slight objection to so far recognizing that of universality as to grant to British authors the same privileges that thus far had been accorded to our own.

Throughout those years, nevertheless, the effort to obtain from the legislative authority a decree to that effect had proved an utter failure. Time and again had the case been up for trial, but as often had the plaintiffs' counsel wholly failed to agree among themselves as to the consequences that might reasonably be expected to result from recognition of their clients' so-called rights. Northern and Eastern advocates, representing districts in which schools and colleges abounded, insisted that perpetuity and universality of privilege must result in giving the defendants cheaper books. Southern counsel, on the contrary, representing districts in which schools were rare, and students few in number, insisted that extension of privilege would have the effect of giving to planters handsome editions of the works they needed, while preventing the publication of "cheap and nasty" editions, fitted for the "mudsills" of Northern States. Failing thus to agree among themselves they failed to convince the jury, mainly representing, as it did, the Centre and the West, as a consequence of which, verdicts favorable to the defendants had, on each and every occasion, been rendered.

A thoroughly adverse popular will having thus been manifested, it was now determined to try the Senate, and here the chances for privilege were better. With a population little greater than that of Pennsylvania, the New England States had six times the Senatorial representation. With readers not a fifth as numerous as were those of Ohio, Carolina, Florida, and Georgia had thrice the number of Senators. By combining these heterogeneous elements the will of the people — so frequently and decidedly expressed — might, it was thought, be set aside. To that end, the Secretary of State, himself one of the plaintiffs, had negotiated the treaty then before the Senate, of the terms of which the defendants had been kept in utter ignorance, and by means of which the principle of taxation without representation was now to be established.

Such was the state of affairs at the date at which, in compliance with the request of a Pennsylvania Senator, the author of these letters put on paper the ideas he had already expressed to him in conversation. By him and other Senators they were held to be conclusive, so conclusive that the plaintiffs were speedily brought to see that the path of safety, for the present at least, lay in the direction of abandoning the treaty and allowing it to be quietly laid in the grave in which it since has rested. That such should have been their course was, at the time, much regretted by the defendants, as they would have greatly preferred an earnest and thorough discussion of the question before the court. Had opportunity been afforded it *would* have been discussed by one, at least, of the master minds of the Senate;[1] and so discussed as to have satisfied the whole body of our people, authors and editors, perhaps, excepted, that their cause was that of truth and justice; and that if in the past there had been error it had been that of excess of liberality towards the plaintiffs in the suit.

The issue that was then evaded is now again presented, eminent counsel having been employed, and the opening speech having just now been made.[2] Having read it carefully, we find in it, however, nothing beyond a labored effort at reducing the literary profession to a level with those of the grocer and the tallow-chandler. It is an elaborate reproduction of Oliver Twist's cry for "more! more!" — a new edition of the "Beggar's Petition," perusal of which must, as we think, have affected with profound disgust many, if not even most, of the eminent persons therein referred to. In it, we have presented for consideration the sad case of one distinguished writer and admirable man who, by means of his pen alone, had been enabled to pass through a long life of most remarkable enjoyment, although his money receipts had, by reason of the alleged injustice of the consumers of his products, but little exceeded $200,000; that of a lady writer who, by means of a sensational novel of great merit and admirably adapted to the modes of thought of the hour, had been enabled to earn in a single year, the large sum of $40,000, though still deprived of two hundred other thousands she is here said to have fairly earned; of a historian whose labors, after deducting what had been applied to the creation of a most valuable library, had scarcely yielded fifty cents per day; of another who had had but $1000 per month; and, passing rapidly from the sublime to the ridiculous, of a school copy-book maker who had seen his improvements copied, without compensation to himself, for the benefit of English children.

These may and perhaps should be regarded as very sad facts; but had not the picture a brighter side, and might it not have been well for the eminent counsel to have presented both? Might he not, for instance, have told his readers that, in addition to the $200,000 above referred to, and wholly as acknowledgment of his literary services, the eminent recipient had for many years enjoyed a diplomatic sinecure of the highest order, by means of which he had been enabled to give his time to the collection of materials for his most important works? Might he not have further told us how other of the distinguished men he had named, as well as many others whose names had not been given, have, in a manner precisely similar, been rewarded for their literary labors? Might he not have said something of the pecuniary and societary successes that had so closely followed the appearance of the novel to whose publication he had attributed so great an influence? Might he not, and with great propriety, have furnished an extract from the books of the "New York Ledger," exhibiting the tens and hundreds of thousands that had been paid for articles which few, if any, would care to read a second time? Might he not have told his readers of the excessive earnings of public lecturers? Might he not, too, have said a word or two of the tricks and contrivances that are being now resorted to by men and women — highly respectable men and women too — for evading, on both sides of the Atlantic, the spirit of the copyright laws while complying with their letter? Would, however, such a course of proceeding have answered his present purpose? Perhaps not! His business was to pass around the hat, accompanying it with a strong appeal to the charity of the defendants, and this, so far as we can see, is all that thus far has been done.

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[1] Senator Clayton of Delaware.

[2] See *Atlantic Monthly* for October.

Might not, however, a similar, and yet stronger, appeal now be made in behalf of other of the public servants? At the close of long lives devoted to the public service, Washington, Hamilton, Clay, Clayton, and many other of our most eminent men have found themselves largely losers, not gainers, by public service. The late Governor Andrew's services were surely worth as much, per hour, as those of the authoress of "Uncle Tom's Cabin," yet did he give five years of his life, and perhaps his life itself, for far less than half of what she had received for the labors of a single one. Deducting the expenses incident to his official life, Mr. Lincoln would have been required to labor for five and twenty years before he could have received as much as was paid to the author of the "Sketch Book." The labors of the historian of Ferdinand and Isabella have been, to himself and his family, ten times more productive than have been those of Mr. Stanton, the great war minister of the age. — Turning now, from civil to military life, we see among ourselves officers who have but recently rendered the largest service, but who are now quite coolly whistled down the wind, to find where they can the means of support for wives and children. Studying the lists of honored dead, we find therein the names of men of high renown whose widows and children are now starving on pensions whose annual amount is less than the monthly receipt of any one of the authors above referred to.

Such being the facts, and that they are facts cannot be denied, let us now suppose a proposition to be made that, with a view to add one, two, three, or four thousand dollars to the annual income of ex-presidents, and ex-legislators, and half as much to that of the widows and children of distinguished officers, there should be established a general pension system, involving an expenditure of the public moneys, and consequent taxation, to the extent of ten or fifteen millions a year, and then inquire by whom it might be supported. Would any single one of the editors who are now so earnest in their appeals for further grants of privilege venture so to do? Would not the most earnest of them be among the first to visit on such a proposition the most withering denunciations? Judging from what, in the last two years, we have read in various editorial columns, we should say that they would be so. Would, however, any member of either house of Congress venture to commit himself before the world by offering such a proposition? We doubt it very much. Nevertheless it is now coolly proposed to establish a system that would not only tax the present generation as many millions annually, but that would grow in amount at a rate far exceeding the growth of population, doing this in the hope that future essayists might be enabled to count their receipts by half instead of quarter millions, and future novelists to collect abroad and at home the hundreds of thousands that, as we are assured, are theirs of *right*, and that are now denied them. When we shall have determined to grant to the widows and children of the men who in the last half dozen years have perished in the public service, some slight measure of justice, it may be time to consider that question, but until then it should most certainly be deferred.

The most active and earnest of all the advocates of literary *rights* was, two years since, if the writer's memory correctly serves him, the most thorough and determined of all our journalists in insisting on the prompt dismissal of thousands and tens of thousands of men who, at their country's call, had abandoned the pursuits and profits of civil life. Did he, however, ever propose that they should be allowed any extra pay on which to live, and by means of which to support their wives and children, in the interval between discharge from military service and re-establishment in their old pursuits? Nothing of the kind is now recollected. Would he now advocate the enactment of a law by means of which the widow and children of a major-general who had fallen on the field should, so far as pay was concerned, be placed on a level with an ordinary police officer? He might, but that he would do so could not with any certainty be affirmed. She and they would, nevertheless, seem to have claims on the consideration of American men and women fully equal to those of the authoress of "Lady Audley's Secret," already, as she is understood to be, in the annual receipt from this country of more than thrice the amount of the widow's pension, in addition to tens of thousands at home.[1]

It is, however, as we are gravely told, but ten per cent. that she asks, and who could or should object to payment of such a pittance? Not many, perhaps, if unaccompanied by monopoly privleges that would *multiply the ten by ten and make it an hundred!* Alone, the cost to our readers might not now exceed an annual million. Let Congress then pass an act appropriating that sum to be distributed among foreign authors whose works had been, or might be republished here. *That* should have the writer's vote, but he objects, and will continue to object, to any legislative action that shall tend towards giving to already "great and wealthy" publishing houses the *nine* millions that they certainly will charge for collecting the single *one* that is to go abroad.

"Great and wealthy" as they are here said to be, and as they certainly are, we are assured that even they have serious troubles, against which they greatly need to be protected. In common with many heretofore competing railroad companies they have found that, however competition among themselves might benefit the public, it would tend rather to their own injury, and therefore have they, by means of most stringent rules, established a "courtesy" copyright, the effect of which exhibits itself in the fact, that the prices of reprinted books are now rapidly approaching those of domestic production. Further advances in that direction might, however, prove dangerous; "courtesy" rules not, as we are here informed, being readily susceptible of enforcement. A salutary fear of interlopers still restrains those "great and wealthy houses," at heavy annual cost to themselves, and with great saving to consumers of their products. That this may all be changed; that they may build up fortunes with still increased rapidity; that they may, to a still greater extent, monopolize the business of publication; and, that the people may be taxed to that effect; all that is now needed is, that Congress shall pass a very simple law by means of which a few men in Eastern cities shall be enabled to monopolize the business of republication, secure from either Eastern or Western competition. That done, readers will be likely to see a state of things similar to that now exhibited at Chicago, where railroad companies that have secured to themselves all the exits and entrances of the city, are, as we are told, at this moment engaged in organizing a combination that shall have the effect of dividing in fair proportion among the wolves the numerous flocks of sheep.

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[1] The London correspondent of Scribner and Co.'s "*Book Buyer*" says that Miss Braddon's first publisher, Mr. Tinsley (who died suddenly last year), called the elegant villa he built for himself at Putney "Audley House," in grateful remembrance of the "Lady" to whose "Secret" he was indebted for fortune; and Miss Braddon herself, through her man of business, has recently purchased a stately mansion of Queen Anne's time, "Litchfield House," at Richmond.

On all former occasions Northern advocates of literary monopolies assured us that it was in that direction, and in that alone, we were to look for the cheapening of books. Now, nothing of this sort is at all pretended. On the contrary, we are here told of the extreme impropriety of a system which makes it necessary for a New England essayist to accept a single dollar for a volume that under other circumstances would sell for half a guinea; of the wrong to such essayists that results from the issue of cheap "periodicals made up of selections from the reviews and magazines of Europe;" of the "abominable extravagance of buying a great and good novel in a perishable form for a few cents;" of the increased accessibility of books by the "masses of the people" that must result from increasing prices; and of the greatly increased facility with which circulating libraries may be formed whensoever the "great and wealthy houses" shall have been given power to claim from each and every reader of Dickens's novels, as their share of the monopoly profits, thrice as much as he now pays for the book itself! This, however, is only history repeating itself with a little change of place, the argument of to-day, coming from the North, being an almost exact repetition of that which, twenty years since, came from the South — from the mouths of men who rejoiced in the fact that no newspapers were published in their districts, and who well *knew* that the way towards preventing the dissemination of knowledge lay in the direction of granting the monopoly privileges that had been asked. The anti-slavery men of the present thus repeat the argument of the pro-slavery men of the past, extremes being thus brought close together.

Our people are here assured that Russia, Sweden, and other countries are ready to unite with them in recognizing the "rights" now claimed. So, too, it may be well believed, would it be with China, Japan, Bokhara, and the Sandwich Islands. Of what use, however, would be such an union? Would it increase the facilities for transplanting the ideas of American authors? Are not the obstacles to such transplantation already sufficiently great, and is it desirable that they should be at all increased? Germany has already tried the experiment, but whether or not, when the time shall come, the existing treaties will be renewed, is very doubtful. Where she now pays dollars, she probably receives cents. Discussion of the question there has led to the translation and republication of the letters here now republished, and the views therein expressed have received the public approbation of men whose opinions are entitled to the highest consideration. What has recently been done in that country in reference to domestic copyright, and what has been the effect, are well exhibited in an article from an English journal just now received, a part of which, American moneys having been substituted for German ones, is here given, as follows: —

> "We have so long enjoyed the advantage of unrestricted competition in the production of the works of the best English writers of the past, that we can hardly realize what our position would have been had the right to produce Shakespeare, or Milton, or Goldsmith, or any of our great classic writers, been monopolized by any one publishing-house, — certainly we should never have seen a shilling Shakespeare, or a half-crown Milton; and Shakespeare, instead of being, as he is, 'familiar in our mouths as household words,' would have been known but to the scholar and the student. We are far from condemning an enlightened system of copyright, and have not a word to say in favor of unreasoning competition; but we do think that publishers and authors often lose sight of their own interest in adhering to a system of high prices and restricted sale. Tennyson's works supply us with a case in point — here, to possess a set of Tennyson's poems, a reader must pay something like 38*s.* or 40*s.* — in Boston you may buy a magnificent edition of all his works in two volumes for some-

thing like 15*s*., and a small edition for some four or five shillings. The result is the purchasers in England are numbered by hundreds, in America by thousands. In Germany we have almost a parallel case. There the works of the great German poets, of Schiller, of Goethe, of Jean Paul, of Wieland, and of Herder, are at the present time 'under the protecting privileges of the most illustrious German Confederation,' and, by special privilege, the exclusive property of the Stuttgart publishing firm of J. G. Cotta. On the forthcoming 9th of November this monopoly will cease, and all the works of the above-mentioned poets will be open to the speculation of German publishers generally. It may be interesting to our readers to learn the history of these peculiar legal restrictions, which have so long prevailed in the German book-trade, and the results likely to follow from their removal.

"Until the beginning of this century literary piracy was not prohibited in the German States. As, however, protection of literary productions was, at last, emphatically urged, the Acts of the Confederation (on the reconstruction of Germany in the year 1815) contained a passage to the effect, that the Diet should, at its first meeting, consider the necessity of uniform laws for securing the rights of literary men and publishers. The Diet moved in the matter in the year 1818, appointing a commission to settle this question ; and, thanks to that supreme profoundness which was ever applied to the affairs of the father-land by this illustrious body, after twenty-two years of deliberation, on the 9th of Nov., 1837, decreed the law, that the rights of authorship should be acknowledged and respected, at least, for the space of ten years ; copyright for a longer period, however, being granted for voluminous and costly works, and for the works of the great German poets.

"In the course of time, however, a copyright for ten years proved insufficient even for the commonest works ; it was therefore extended by a decree of the Diet, dated June 19, 1845, over the natural term of the author's life and for thirty years after his death. With respect to the works of all authors deceased before the 9th of November, 1837 — including the works of the poets enumerated above — the Diet decided that they could all be protected until the 9th of November, 1867.

"It was to be expected that the firm of J. G. Cotta, favored until now with so valuable a monopoly, would make all possible exertions not to be surpassed in the coming battle of the Publishers, though it is a somewhat curious sight to see this haughty house, after having used its privileges to the last moment, descend now suddenly from its high monopolistic stand into the arena of competition, and compete for public favor with its plebeian rivals. Availing itself of the advantage which the monopoly hitherto attached to it naturally gives it, the house has just commenced issuing a cheap edition of the German classics, under the title 'Bibliothek für Alle. Meisterwerke deutscher Classiker,' in weekly parts, 6 cts.

each; containing the selected works of Schiller, at the price of 75 cts., and the selected works of Goethe, at the price of $1.50. And now, just as the monopoly is gliding from their hands, the same firm offers, in a small 16mo edition, Schiller's complete works, 12 vols., for 75 cts.

"Another publisher, A. H. Payne, of Leipzig, announces a complete edition of Schiller's works, including some unpublished pieces, for 75 cts.

"Again, the well-known firm of F. A. Brockhaus holds out a prospectus of a corrected critical edition of the German poets of the eighteenth and nineteenth century, which we have every reason to believe will merit success. A similar enterprise is announced, just now, by the Bibliographical Institution of Hildburghausen, under the title, 'Bibliothek der deutschen Nationalliteratur,' edited by Heinr. Kurz, in weekly parts of 10 sheets, at the price of 12 cts. each. Even an illustrated edition of the Classics will be presented to the public, in consequence of the expiration of the copyright. The Grote'sche Buchhandlung, of Berlin, is issuing the 'Hausbibliothek deutscher Classiker,' with wood-cut illustrations by such eminent artists as Richter, Thumann, and others; and the first part, just published, containing Louise, by Voss, with truly artistic illustrations, has met with general approbation. But, above all, the popular edition of the poets, issued by G. Hempel, of Berlin, under the general title of 'National Bibliothek sämmtlicher deutscher Classiker,' 8vo. in parts, 6 cts. each, seems destined to surpass all others in popularity, though not in merit. *Of the first part (already published), containing Bürger's Poems,* 300,000 *copies have been sold, and* 150,000 *subscribers' names have been registered for the complete series. This immense sale, unequalled in the annals of the German book-trade, will certainly induce many other publishers to embark in similar enterprises.*" — Trübner's *Literary Record*, Oct. 1867.

Judging from this, there will, five years hence, be a million of families in possession of the works of Schiller, Bürger, Goethe, Herder and others, that thus far have been compelled to dispense with their perusal. Sad to think, however, they will be of those cheap editions now so much despised by American advocates of monopoly privileges! How much better for the German people would it not have been had their Parliament recognized the perpetuity of literary *rights*, and thus enabled the "great and wealthy house" of Cotta and Co. to carry into full effect the idea that their own editions should alone be published, thereby adding other millions to the very many of which they already are the owners!

At this moment a letter from Mr. Bayard Taylor advises us that German circulating libraries impede the sale of books; that the circulation of even highly popular works is limited within 20,000; and that, as a necessary consequence, German authors are not paid so well as of right they should be.[1] This, however, is precisely the state of things that, as we are now assured, should be brought about in this country, prices being raised, and readers being driven to the circulating library by reason of the deficiency of the means required for forming the private one. It is the one that *would* be brought about should our authors, unhappily for themselves, succeed in obtaining what is now demanded.

The day has passed, in this country, for the recognition of either perpetuity or universality of literary *rights*. The wealthy Carolinian, anxious that books might be high in price, and knowing well that monopoly privileges were opposed to freedom, gladly co-operated with Eastern authors and publishers, anti-slavery as they professed to be. The enfranchised black, on the contrary, desires that books may be cheap, and to that end he and his representatives will be found in all the future co-operating with the people of the Centre and the West in maintaining the doctrine that literary *privileges* exist in virtue of grants from the people who own the materials out of which books are made; that those privileges have been perhaps already too far extended; that there exists not even a shadow of reason for any further extension; and that to grant what now is asked would be a positive wrong to the many millions of consumers, as well as an obstacle to be now placed in the road towards civilization.

The amount now paid for public service under our various governments is more than, were it fairly distributed, would suffice for giving proper reward to all. Unfortunately the *distribution* is very bad, the largest compensation generally going to those who render the smallest service. So, too, is it with regard to literary employments; and so is it likely to continue throughout the future. Grant all that now is asked, and the effect will be seen in the fact, that of the vastly increased taxation ninety per cent. will go to those who work for money alone, and are already overpaid, leaving but little to be added to the rewards of conscientious men with whom their work is a labor of love, as is the case with the distinguished author of the "History of the Netherlands."

Twenty years ago, Macaulay advised his literary friends to be content, believing, as he told them, that the existing "wholesome copyright" was likely to "share in the disgrace and danger" of the more extended one which they then so much desired to see created. Let our authors reflect on this advice! Success now, were it possible that it should be obtained, would be productive of great danger in the already not distant future. In the natural course of things, most of our authorship, for many years to come, will be found east of the Hudson, most of the buyers of books, meanwhile, being found south and west of that river. International copyright will give to the former limited territory an absolute monopoly of the business of republication, the then great cities of the West being almost as completely deprived of participation therein as are now the towns and cities of Canada and Australia. On the one side, there will be found a few thousand persons interested in maintaining the monopolies that had been granted to authors and publishers, foreign and domestic. On the other, sixty or eighty millions, tired of taxation and determined that books shall be more cheaply furnished. War will then come, and the domestic author, sharing in the "disgrace and danger" attendant upon his alliance with foreign authors and domestic publishers, may perhaps find reason to rejoice if the people fail to arrive at the conclusion that the last extension of *his own privileges* had been inexpedient and should be at once recalled. Let him then study that well-known fable of Æsop entitled "The Dog and the Shadow," and take warning from it!

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[1] New York *Tribune*, Nov. 29.

The writer of these Letters had no personal interest in the question therein discussed. Himself an author, he has since gladly witnessed the translation and republication of his works in various countries of Europe, his sole reason for writing them having been found in a desire for strengthening the many against the few by whom the former have so long, to a greater or less extent, been enslaved. To that end it is that he now writes, fully believing that the *right* is on the side of the consumer of books, and not with their producers, whether authors or publishers. Between the two there is, however, a perfect harmony of all real and permanent interests, and greatly will he be rejoiced if he shall have succeeded in persuading even some few of his literary countrymen that such is the fact, and that the path of safety will be found in the direction of LETTING WELL ENOUGH ALONE.

The reward of literary service, and the estimation in which literary men are held, both grow with growth in that power of combination which results from diversification of employments; from bringing consumers and producers close together; and from thus stimulating the activity of the societary circulation. Both decline as producers and consumers become more widely separated and as the circulation becomes more languid, as is the case in all the countries now subjected to the British free trade influence. Let American authors then unite in asking of Congress the establishment of a fixed and steady policy which shall have the effect of giving us that industrial independence without which there can be neither political nor literary independence. That once secured, they would thereafter find no need for asking the establishment of a system of taxation which would prove so burdensome to our people as, in the end, to be ruinous to themselves.

H. C. C.

PHILADELPHIA,
Dec. 1867.

LETTERS

ON

INTERNATIONAL COPYRIGHT.

LETTER I.

Dear Sir: — You ask for information calculated to enable you to act understandingly in reference to the international copyright treaty now awaiting the action of the Senate. The subject is an important one, more so, as I think, than is commonly supposed, and being very glad to see that it is now occupying your attention, it will afford me much pleasure to comply, as far as in my power, with your request.

Independently of the principle involved, it seems to me that the course now proposed to be pursued is liable to very grave objection. It is an attempt to substitute the action of the Executive for that of the Legislature, and in a case in which the latter is fully competent to do the work. For almost twenty years, Congress has been besieged with applications on the subject, but without effect. Senate Committees have reported in favor of the measure, but the lower House, composed of the direct representatives of the people, has remained unmoved. In despair of succeeding under any of the ordinary forms of proceeding, its friends have invoked the legislation of the Executive power, and the result is seen in the fact, that the Senate, as a branch of the Executive, is now called upon to sanction a law, in the enactment of which the House of Representatives could not be induced to unite. This may be, and doubtless is, in accordance with the letter of the Constitution, but it is so decidedly in opposition to its spirit that, even were there no other objection, the treaty should be rejected. That, however, is but the smallest of the objections to it.

If the people required such a law, nothing could be more easy than to act in this case as we have done before in similar ones. When we desired to arrange for reciprocity in relation to navigation, we fixed the terms, and declared that all the other nations of the earth might accede to them if they would. No treaty was needed, and we therefore became bound to no one. It was in our power to repeal the law when we chose. So, again, in regard to patents. Foreigners exercise the power of patenting their inventions, but they do so under a law that is liable to repeal at the pleasure of Congress. In both of these cases, the bills underwent public discussion, and the people that were to be subjected to the law, saw, and understood, and amended the bills before they became laws. Contrast, I beg of you, this course of proceeding with the one now proposed to be pursued in reference to one of the largest branches of our internal trade. Finding that no bill that could be prepared could stand the ordeal of public discussion, a treaty has been negotiated, the terms of which seem to be known to none but the negotiators, and that treaty has been sent to your House of Congress, there to be discussed in secret session by a number of gentlemen, most of whom have given little attention to the general principle involved, while not even a single one can be supposed qualified to judge of the practical working of the provisions by whose aid the principle is to be carried out. Once confirmed, the treaty can be changed only with the consent of England. Here we have secrecy in the making of laws, and irrevocability of the law when made; whereas, in all other cases, we have had publicity and revocability. Legislation like that now proposed would seem to be better suited to the monarchies of Europe, than to the republic of the United States. The reason why this extraordinary course has been adopted is, that the people have never required the passage of such a law, and could not be persuaded to sanction it now, were it submitted to them.

The French and English copyright treaty has, as I understand, caused great deterioration in the value of property that had been accumulated in France under the system that had before existed, and such may prove to be the case with the one now under consideration. Should it be so, the deterioration would prove to be fifty times greater in amount than it was in France. Will it do so? No one knows, because those whose interests are to be affected by the law are not permitted to read the law that is to be made. They know well that they have not been consulted, and equally well do they know that the negotiator is not familiar with the trade that is to be regulated, and is liable, therefore, to have given his assent to provisions that will work injury never contemplated by him at the time the treaty had been made. Again, provisions may have been inserted, with a view to prevent injury to the publishers, or to the public, that would be found in practice to be utterly futile, or even to augment the difficulty instead of remedying it. That such result would follow the adoption of some of those whose insertion has been urged, I can positively assert. In this state of things, it would seem to be proper that we should know whether the provisions of the treaty were submitted to the examination of any of the parties interested for or against it, and if so, to whom. So far as I can learn, none of those opposed to it have had any opportunity afforded them of reading the law, and if any advice has been taken, it must have been of those publishers who are in favor of it. Those gentlemen, however, are precisely the persons likely most to profit by the adoption of the principle recognized by the treaty; and the more disadvantageous to others the provisions for carrying that principle into effect, the greater must be the advantage to themselves. They, therefore, can be regarded as little more than the exponents of the wishes of their English friends, who were counselling the British Minister on the one hand, while on the other they were, through their friends here, counselling the American one. A treaty negotiated under such circumstances, would seem little likely to provide for the general interests of the American people.

When, in 1837, the attempt was first made to secure for English authors the privilege of copyright, a large number of them united in an agreement declaring a certain New York house to be "the sole authorized publishers and issuers" of their works. Now, had that house volunteered its advice to the Secretary of State of that day, he would scarcely have regarded it as sufficiently disinterested to be qualified for the office it had undertaken; and yet, if any advice in the present case has been asked, it would seem that it must have been from houses that now look forward to filling the place then occupied by that single one, and that cannot, therefore, be regarded as fitted for the office of counsellors to the Secretary of the present day. Recollect, I am, as is everybody else, entirely in the dark. No one knows who furnished advice as to the treaty, nor does any one know what is to be the law when it shall have been confirmed. Neither can any one tell how the errors that may now be made will be corrected. With a law regularly passed through both Houses of Congress, these difficulties could not arise. They are a natural consequence of this attempt to substitute the will of the Executive for that of the people, as expressed by the House of Representatives, and should, as I think, weigh strongly on the minds of Senators when called to vote upon the treaty. Their constituents have a right to see, and to discuss, the laws that are proposed before those laws are finally made, and whenever it is attempted, as in the present case, to stifle discussion, we may reasonably infer that wrong is about to be done. This is, I believe, the first case in which, on account of the unpopularity of the law proposed, it has been attempted to deprive the popular branch of Congress of its constitutional share in legislation, and if this be sanctioned it is difficult to see what other interests may not be subjected to similar action on the part of the Executive. In all such cases, it is the first step that is most difficult, and before making the one now proposed, you should, as I think, weigh well the importance of the precedent about to be established. No one can hold in greater respect than I do, the honorable gentleman who negotiated this treaty ; but in thus attempting to substitute the executive will for legislative action, he seems to me to have made a grave mistake.

In the claim now made in behalf of English authors, there is great apparent justice ; but that which is not true, often puts on the appearance of truth. For thousands of years, it seemed so obviously true that the sun revolved around the earth that the fact was not disputed, and yet it came finally to be proved that the earth revolved around the sun. Ricardo's theory of the occupation of the earth, the foundation-stone of his system, had so much apparent truth to recommend it, that it was almost universally adopted, and is now the basis of the whole British politico-economical system ; and yet the facts are directly the reverse of what Ricardo had supposed them to be. Such being the case, it might be that, upon a full examination of the subject, we should find that, in admitting the claim of foreign authors, we should be doing injustice and not justice. The English press has, it is true, for many years been engaged in teaching us that we were little better than thieves or pirates ; but that press has been so uniformly and unsparingly abusive of us, whenever we have failed to grant all that it has claimed, that its views are entitled to little weight. At home, many of our authors have taken the same side of the question; and the only answer that has ever, to my knowledge, been made, has been, that if we admitted the claims of foreign authors, the prices of books would be raised, and the people would be deprived of their accustomed supplies of cheap literature — as I think, a very weak sort of defense. If nothing better than this can be said, we may as well at once plead guilty to the charge of piracy, and commence a new and more honest course of action. Evil may not be done that good may come of it, nor may we steal an author's brains that our people may be cheaply taught. To admit that the end justifies the means, would be to adopt the line of argument so often used by English speakers, in and out of Parliament, when they defend the poisoning of the Chinese people by means of opium introduced in defiance of their government, because it furnishes revenue to India; or that which teaches that Canada should be retained as a British colony, because of the facility it affords for violation of our laws; or that which would have us regard smugglers, in general, as the great reformers of the age. We stand in need of no such morality as this. We can afford to pay for what we want; but, even were it otherwise, our motto here, and everywhere, should be the old French one: "*Fais ce que doy, advienne que pourra*" — Act justly, and leave the result to Providence. Before acting, however, we should determine on which side justice lies. Unless I am greatly in error, it is not on the side of international copyright. My reasons for this belief will now be given.

The facts or ideas contained in a book constitute its body. The language in which they are conveyed to the reader constitute the clothing of the body. For the first no copyright is allowed. Humboldt spent many years of his life in collecting facts relative to the southern portion of this continent; yet so soon as he gave them to the light they ceased to be his, and became the common property of all mankind. Captain Wilkes and his companions spent several years in exploring the Southern Ocean, and brought from there a vast amount of new facts, all of which became at once common property. Sir John Franklin made numerous expeditions to the North, during which he collected many facts of high importance, for which he had no copyright. So with Park, Burkhard, and others, who lost their lives in the exploration of Africa. Captain

McClure has just accomplished the Northwest Passage, yet has he no exclusive right to the publication of the fact. So has it ever been. For thousands of years men like these — working men, abroad and at home — have been engaged in the collection of facts; and thus there has been accumulated a vast body of them, all of which have become common property, while even the names of most of the men by whom they were collected have passed away. Next to these come the men who have been engaged in the arrangement of facts and in their comparison, with a view to deduce therefrom the laws by which the world is governed, and which constitute science. Copernicus devoted his life to the study of numerous facts, by aid of which he was at length enabled to give to the world a knowledge of the great fact that the earth revolved around the sun; but he had therein, from the moment of its publication, no more property than had the most violent of his opponents. The discovery of other laws occupied the life of Kepler, but he had no property in them. Newton spent many years of his life in the composition of his "Principia," yet in that he had no copyright, except for the mere clothing in which his ideas were placed before the world. The body was common property. So, too, with Bacon and Locke, Leibnitz and Descartes, Franklin, Priestley, and Davy, Quesnay, Turgot, and Adam Smith, Lamarck and Cuvier, and all other men who have aided in carrying science to the point at which it has now arrived. They have had no property in their ideas. If they labored, it was because they had a thirst for knowledge. They could expect no pecuniary reward, nor had they much reason even to hope for fame. New ideas were, necessarily, a subject of controversy; and cases are, even in our time, not uncommon, in which the announcement of an idea at variance with those commonly recorded has tended greatly to the diminution of the enjoyment of life by the man by whom it has been announced. The contemporaries of Harvey could scarcely be made to believe in the circulation of the blood. Mr. Owen might have lived happily in the enjoyment of a large fortune had he not conceived new views of society. These he gave to the world in the form of a book, that led him into controversy which has almost lasted out his life, while the effort to carry his ideas into effect has cost him his fortune. Admit that he had been right, and that the correctness of his views were now fully established, he would have in them no property whatever; nor would his books be now yielding him a shilling, because later writers would be placing them before the world in other and more attractive clothing. So is it with the books of all the men I have named. The copyright of the "Principia" would be worth nothing, as would be the case with all that Franklin wrote on electricity, or Davy on chemistry. Few now read Adam Smith, and still fewer Bacon, Leibnitz, or Descartes. Examine where we may, we shall find that the collectors of the facts and the producers of the ideas which constitute the body of books, have received little or no reward while thus engaged in contributing so largely to the augmentation of the common property of mankind.

For what, then, is copyright given? For the clothing in which the body is produced to the world. Examine Mr. Macaulay's "History of England" and you will find that the body is composed of what is common property. Not only have the facts been recorded by others, but the ideas, too, are derived from the works of men who have labored for the world without receiving, and frequently without the expectation of receiving, any pecuniary compensation for their labors. Mr. Macaulay has read much and carefully, and he has thus been enabled to acquire great skill in arranging and clothing his facts; but the reader of his books will find in them no contribution to positive knowledge. The works of men who make contributions of that kind are necessarily controversial and distasteful to the reader; for which reason they find few readers, and never pay their authors. Turn now to our own authors, Prescott and Bancroft, who have furnished us with historical works of so great excellence, and you will find a state of things precisely similar. They have taken a large quantity of materials out of the common stock, in which you, and I, and all of us have an interest; and those materials they have so reclothed as to render them attractive of purchasers; but this is all they have done. Look to Mr. Webster's works, and you will find it the same. He was a great reader. He studied the Constitution carefully, with a view to understand what were the views of its authors, and those views he reproduced in different and more attractive clothing, and there his work ended. He never pretended, as I think, to furnish the world with any new ideas; and if he had done so, he could have claimed no property in them. Few now read the heavy volumes containing the speeches of Fox and Pitt.

They did nothing but reproduce ideas that were common property, and in such clothing as answered the purposes of the moment. Sir Robert Peel did the same. The world would now be just as wise had he never lived, for he made no contribution to the general stock of knowledge. The great work of Chancellor Kent is, to use the words of Judge Story, "but a new combination and arrangement of old materials, in which the skill and judgment of the author in the selection and exposition, and accurate use of those materials, constitute the basis of his reputation, as well as of his copyright." The world at large is the owner of all the facts that have been collected, and of all the ideas that have been deduced from them, and its right in them is precisely the same that the planter has in the bale of cotton that has been raised on his plantation; and the course of proceeding of both has, thus far, been precisely similar; whence I am induced to infer that, in both cases, right has been done. When the planter hands his cotton to the spinner and the weaver, he does not say, "Take this and convert it into cloth, and keep the cloth;" but he does say, "Spin and weave this cotton, and for so doing you shall have such interest in the cloth as will give you a fair compensation for your labor and skill, but, when that shall have been paid, *the cloth will be mine.*" This latter is precisely what society, the owner of facts and ideas, says to the author: "Take these raw materials that have been collected, put them together, and clothe them after your own fashion, and for a given time we will agree that nobody else shall present them in the same dress. During that time you may exhibit them for your own profit, but at the end of that period the clothing will become common property, as the body now is. It is to the contributions of your predecessors to our common stock that you are indebted for the power to make your book, and we require you, in your turn, to contribute towards the augmentation of the stock that is to be used by your successors." This is justice, and to grant more than this would be injustice.

Let us turn now, for a moment, to the producers of works of fiction. Sir Walter Scott had carefully studied Scottish and Border history, and thus had filled his mind with facts preserved, and ideas produced, by others, which he reproduced in a different form. He made no contribution to knowledge. So, too, with our own very successful Washington Irving. He drew largely upon the common stock of ideas, and dressed them up in a new, and what has proved to be a most attractive form. So, again, with Mr. Dickens. Read his " Bleak House " and you will find that he has been a most careful observer of men and things, and has thereby been enabled to collect a great number of facts that he has dressed up in different forms, but that is all he has done. He is in the condition of a man who had entered a large garden and collected a variety of the most beautiful flowers growing therein, of which he had made a fine bouquet. The owner of the garden would naturally say to him: " The flowers are mine, but the arrangement is yours. You cannot keep the bouquet, but you may smell it, or show it for your own profit, for an hour or two, but then it must come to me. If you prefer it, I am willing to pay you for your services, giving you a fair compensation for your time and taste." This is exactly what society says to Mr. Dickens, who makes such beautiful literary bouquets. What is right in the individual, cannot be wrong in the mass of individuals of which society is composed. Nevertheless, the author objects to this, insisting that he is owner of the bouquet itself, although he has paid no wages to the man who raised the flowers. Were he asked to do so, he would, as I shall show in another letter, regard it as leading to great injustice.

LETTER II.

Let us suppose, now, that you should move, in the Senate, a resolution looking to the establishment of the exclusive right of making known the facts, or ideas, that might be brought to light, and see what would be the effect. You would, as I think, find yourself at once surrounded by the gentlemen who dress up those facts and ideas, and issue them in the form of books. The geographer would say to you: " My dear sir, this will never do. Look at my book, and you will see that it is drawn altogether from the works of others, many of whom have sunk their fortunes, while others have lost their lives, in pursuit of the knowledge that I so cheaply give the world. You will find there the essence of the works of Humboldt, and of Wilkes. All of Franklin's discoveries are there, and I am now waiting only for the appearance of McClure's voyage in the Arctic regions to give a new edition of my book. Reflect, I beseech you, upon what you are about to do. Very few persons have leisure to read, or means to pay for the books of these travellers. A few hundred copies are sufficient to satisfy the demand, and then their works die out. Of mine, on the contrary, the sale is ten, fifteen, or twenty thousand annually, and thus is knowledge disseminated throughout the world, enabling the men who furnish me with facts to reap *a rich harvest of never dying fame.* Grant them a copyright to the new ideas they may supply to the world, and at once you put a stop to the production of such books as mine, to my great injury and to the loss of mankind at large. Facts and ideas are common property, and their owners, the public, have a right to use them as they will."

The historian would say: "Mr. Senator, if you persist in this course, you will never again see histories like mine. Here are hundreds of people scattered over the country, industriously engaged in disinterring facts relating to our early history. They are enthusiasts, and many of them are very poor. Some of them contrive to publish, in the form of books, the results of their researches, while others give them to the newspapers, or to the historical societies, and thus they are enabled to come before the world. Few people buy such things, and it not unfrequently happens that men who have spent their lives in the collection of important facts, waste much of their small means in giving them to an ungrateful nation. Nevertheless, they have their reward in the consciousness that they are thus enabling others to furnish the world with accurate histories of their country. I find them of infinite use. They are my hewers of wood and drawers of water, and they never look for payment for their labor. Deprive me of their services, and I shall be obliged to abandon the production of books, and return to the labors of my profession — and they will be deprived of fame, while the public will be deprived of knowledge."

The medical writer would say: "Mr. Senator, should you succeed in carrying out the idea with which you have commenced, you will, I fear, be the cause of great injury to our profession, and probably of great loss of life, for you will thereby arrest the dissemination of knowledge. We have, here and abroad, thousands of industrious and thoughtful men, more intent upon doing good than upon pecuniary profit, who give themselves to the study of particular diseases, furnishing the results to our journals, and not unfrequently publishing monographs of the highest value. The sale of these is always small, and their publication not unfrequently makes heavy drafts on the small means of their authors. Such men are of infinite use to me, for it is by aid of their most valuable labors that I have found myself enabled to prepare the numerous and popular works that I have given to the world. Look at them. There are several volumes of each, of which I sell thousands annually, to my great profit. Deprive me of the power to avail myself of the brains of the working men of the profession and my books will soon cease to be of any value, and I shall lose the large income now realized from them, while the public will suffer in their health by reason of the increased difficulty of disseminating information."

The professor would ask you to look at his lectures and satisfy yourself that they contained no single idea that had originated with himself. "How," he would ask, "could these valuable lectures have been produced, had I been deprived of the power to avail myself of the facts collected by the working-men, and the principles deduced from them by the thinkers of the world? I have no leisure to collect facts or analyze them. For many years past, these lectures have yielded me a large income, and so will they continue to do, provided I be allowed to do in future as in time past I have done, appropriate to my own use all the new facts and new ideas I meet with, crediting their authors or not as I find it best to suit my purpose. Abandon your idea, my dear sir; it cannot be carried out. The men who work, and the men who think, must content themselves with fame, and be thankful if the men who write books and deliver lectures do not appropriate to themselves the entire credit of the facts they use, and the ideas they borrow."

The teacher of natural science would say: "My friend, have you reflected on what you are about to do? Look at our collections, and see how they have been enlarged within the last half century. Asia and Africa, and the islands of the Southern Ocean, have been traversed by indefatigable men who, at the hazard of life, and often at the cost of fortune, have quadrupled our knowledge of vegetable and animal life. Such men do not ask for compensation of any kind. They are willing to work for nothing. Why, then, not let them? Look at the vast contributions to geological knowledge that have been made throughout the Union by men who were content with a bare support, and glad to have the results of their labors published, as they have been, at the public cost. Such men ask no copyright. When they publish, it is almost always at a loss. Wilson lived and died poor. So did Audubon, to whose labors we are indebted for so much ornithological knowledge. Morton expended a large sum in the preparation and publication of his work on crania. Agassiz did the same with his great work on fishes. Cuvier had nothing but fame to bequeath to his family. Lamarck's great work on the *invertebratæ* sold so slowly that very many years elapsed before the edition was exhausted; but he would have found his reward had he lived to see his ideas appropriated without acknowledgment, and reclothed by the author of 'Vestiges of Creation,' of which the sale has been so large. This, my friend, is the use for which such men as Lamarck and Cuvier were intended. They collect and classify the facts, and we popularize them to our own profit. Look at my works and see, bulky as they are, how many editions have been printed, and think how profitable they must have been to the publisher and myself. Look further, and see how numerous are the books to which my labors have indirectly given birth. See the many school-books in relation to botany and other departments of natural science, the authors of which know little of what they undertake to teach, except what they have drawn from me and others like myself. Again, see how numerous are the 'Flora's Emblems,' and the 'Garlands of Flowers,' and the 'Flora's Dictionaries,' and how large is their sale — and how large must be the profits of those engaged in their production. To recognize in such men as Cuvier and Lamarck the existence of any right to either their facts or their deductions would be an act of great injustice towards the race of literary men, while most inexpedient as regards the world at large, now so cheaply supplied with knowledge. As regards the question of international copyright now before the Senate, my views are different. Several of my books have been published abroad, and my publisher here tells me, that to prevent the republication of others he is obliged to supply them cheaply for foreign markets, and thus am I deprived of a fair and just reward for my labors. Copyright should be universal and eternal, and such, I am persuaded, will be the result at which you will arrive when you shall have thoroughly studied the subject."

Having studied it, and having given full consideration to the views that they and others had presented, your answer would probably be to the following effect: "It is clear, gentlemen, from your own showing, that there are two distinct classes of persons engaged in the production of books — the men who furnish the body, and those who dress it up for production before the world. The first class are generally poor, and likely to continue so. They labor without any view to pecuniary advantage. They are, too, very generally helpless. Animated to their work solely by a desire to penetrate into the secrets of nature the character of their minds unfits them for mixing in a money-getting world, while you are always in that world, ready to enforce your claims to its consideration. As a consequence of this, they are rarely allowed even the credit that is due to them. Their discoveries become at once common property, to be used by men like yourselves, and for your own individual profit. We have here among ourselves a gentleman who has given to astronomy a new and highly important law essential to the perfection of the science, the discovery of which has cost him the labor of a life, as a consequence of which he is poor and likely so to remain. Important as was his discovery, his name is already so completely forgotten that there is probably not a single one among you that can now recall it, and yet his law figures in all the recent books. Is this right? Has *he* no claim to consideration?

"In answer, you will say, that 'to admit the existence of any such rights is not only impossible, but *inexpedient*, even were it possible. Knowledge advances by slow and almost imperceptible steps, and each is but the precursor of a new and more important one. Were each discoverer of a new truth to be authorized to monopolize the teaching of it millions of men, to whom, by our aid, it is communicated, would remain in ignorance of it, and thus would farther advance be prevented. In all times past, such truths have been regarded as common property; and so,' you will add, 'they must continue to be regarded. Rely upon it, the best interests of society require that such shall continue to be the case, however great the apparent injustice to the discoverer.'

"Here, you will observe, you waive altogether the question of *right* which you so strongly enforce in regard to yourselves. It may be that you have reason; but if so, how do you yourselves stand in your relations with the great mass of human beings whose right to this common property is equal with your own? For thousands of years working men, collectors of facts and philosophers, have been contributing to the common stock, and the treasure accumulated is now enormously great; and yet the mass of mankind remain still ignorant, and are poor, depraved, and wretched, because ignorant. Under such circumstances, justice would seem to require of the legislator that he should sanction no measure tending to throw unnecessary difficulty in the way of the dissemination of knowledge. To do so, would be to deprive the many of the power to profit by their interest in the common property. To do so, would be to deprive the men who have contributed to the accumulation of this treasure of even the reward to which, as you admit, they justly may make a claim. If they are to be satisfied with fame, we must do nothing tending to limit the dissemination of their ideas, because to do so would be to limit their power to acquire fame. If they are to be satisfied with the idea of doing good to their fellow-men, we must avoid every thing tending to limit the knowledge of their discoveries, because to do so would be to deprive them of much of their small reward. The state of the matter is, as I conceive, as follows: On one side of you stand the contributors to the vast treasure of knowledge that mankind has accumulated, and is accumulating — men who have, in general, labored without fee or reward; on the other side of you stand the owners of this vast treasure, desirous to have it fashioned in a manner to suit their various tastes and powers, that all may be enabled to profit by its possession. Between them stand yourselves, middlemen between the producers and the consumers. It is your province to combine the facts and ideas, as does the manufacturer when he takes the raw materials of cloth, and, by the aid of the skill of numerous working men, past and present, elaborates them into the beautiful forms that so much gratify our eyes in passing through the Crystal Palace. For this service you are to be paid; but to enable you to receive payment you need the aid of the legislator, as the common law grants no more copyright for the form in which ideas are expressed than for the ideas themselves. In granting this aid he is required to see that, while he secures that you have justice, he does no injustice to the men who produce the raw material of your books, nor to the community whose common property it is. In granting it, he is bound to use his efforts to attain the knowledge needed for enabling him to do justice to all parties, and not to you alone. The laws which elsewhere govern the distribution of the proceeds of labor, must apply in your case with equal force. Looking at them, we see that, with the growth of population and of wealth, there is everywhere a tendency to diminution in the proportion of the product that is allowed to the men who stand between the producer and the consumer. In new settlements, trade is small and the shopkeeper requires large profits to enable him to live; and, while the consumer pays a high price, the producer is compelled to be content with a low one. In new settlements, the miller takes a large toll for the conversion of corn into flour, and the spinner and weaver take a large portion of the wool as their reward for converting the balance into cloth. Nevertheless, the shopkeeper, the miller, the spinner, and the weaver are poor, because trade is small. As wealth and population grow, we find the shopkeeper gradually reducing his charge, until from fifty it falls to five per cent.; the miller reducing his, until he finds that he can afford to give all the flour that is yielded by the corn, retaining for himself the bran alone; and the spinner and weaver contenting himself with a constantly diminishing proportion of the wool; and now it is that we find shopkeepers, millers, and manufacturers grow rich, while consumers are cheaply supplied because of the vast increase of trade. In your case, however, the course of proceeding has been altogether different. Half a century since, when our people were but four millions in number, and were poor and scattered, gentlemen like you were secured in the monopoly of their works for fourteen years, with a power of renewal for a similar term. Twenty years since, when the population had almost tripled, and their wealth had sixfold increased, and when the facilities of distribution had vastly grown, the term was fixed at twenty-eight years, with renewal to widow or children for fourteen years more. At the present moment, you are secured in a monopoly for forty-two years, among a population of twenty-six millions of people, certain, at the close of twenty years more, to be fifty millions and likely, at the close of another half century, to be a hundred millions, and with facilities, for the disposal of your products, growing at a rate unequaled in the world. With this vast increase of market, and increase of power over that market, the consumer should be supplied more cheaply than in former times; yet such is not the case. The novels of Mrs. Rowson and Charles B. Brown, and the historical works of Dr. Ramsay, persons who then stood in the first rank of authors, sold as cheaply as do now the works of Fanny Fern, the 'Reveries' of Ik Marvel, or the history of Mr. Bancroft; and yet, in the period that has since elapsed, the cost of publication has fallen probably twenty-five per cent. We have here an inversion of the usual order of things, and it is with these facts before us that you claim to have your monopoly extended over another thirty millions of people; in consideration of which, our people are to grant to the authors of foreign countries a monopoly of the privilege of supplying them with books produced abroad. This application strikes me as unwise. It tends to produce inquiry, and that will, probably, in its turn, lead rather to a reduction than an extension of your privileges. Can it be supposed that when, but a few years hence, our population shall have attained a height of fifty millions, with a demand for books probably ten times greater than at present, the community will be willing to continue to you a monopoly, during forty-two years, of the right of presenting a body that is common property, as compensation for putting it in a new suit of clothing? I doubt it much, and would advise you, for your own good, to be content with what you have. Æsop tells us that the dog lost his piece of meat in the attempt to seize a shadow, and such may prove to be the case on this occasion. So, too, may it be with the owners of patents. The discoverers of principles receive nothing, but those who apply them enjoy a monopoly created by law for their use. Everybody uses chloroform, but nobody pays its discoverer. The man who taught us how to convert India rubber into clothing has not been allowed even fame, while our courts are incessantly occupied with the men who make the clothing. Patentees and producers of books are incessantly pressing upon Congress with claims for enlargement of their privileges, and are thus producing the effect of inducing an inquiry into the validity of their claim to what they now enjoy. Be content, my friends; do not risk the loss of a part of what you have in the effort to obtain more."

The question is often asked: Why should a man not have the same claim to the perpetual enjoyment of his book that his neighbor has in regard to the house he has built? The answer is, that the rights of the parties are entirely different. The man who builds a house quarries the stone and makes the bricks of which it is composed, or he pays another for doing it for him. When finished, his house is all, materials and workmanship, his own.

The man who makes a book uses the common property of mankind, and all he furnishes is the workmanship. Society permits him to use its property, but it is on condition that, after a certain time, the whole shall become part of the common stock. To find a parallel case, let it be supposed that liberal men should, out of their earnings, place at the disposal of the people of your town stone, bricks, and lumber, in quantity sufficient to find accommodation for hundreds of people that were unable to provide for themselves; next suppose that in this state of things your authorities should say to any man or men, "Take these materials, and procure lime in quantity sufficient to build a house; employ carpenters, bricklayers, and architects, and then, in consideration of having found the lime and the workmanship, you shall have a right to charge your own price to every person who may, for all times, desire to occupy a room in it"; would this be doing justice to the men who had given the raw materials for public use? Would it be doing justice to the community by which they had been given? Would it not, on the contrary, be the height of injustice? Unquestionably it would, and it would raise a storm that would speedily displace the men who had thus abused their trust. Their successors would then say: "Messrs. ——, our predecessors, did what they had no right to do. These materials are common property. They were given without fee or reward, with a view to benefit the whole people of our town, many of whom are badly accommodated, while others are heavily taxed for helping those who are unable to help themselves. To carry out the views of the benevolent men to whom we are indebted for all these stone, bricks, and lumber, they must remain common property. You may, if you will, convert them into a house, and, in consideration of the labor and skill required for so doing, we will grant you, during a certain time, the privilege of letting the rooms, at your own price, to those who desire to occupy them; but at the close of that time the building must become common property, to be disposed of as we please." This is exactly what the community says to the gentlemen who employ themselves in converting its common property into books, and to say more would be doing great injustice.

The length of time for which the building should be thus granted would depend upon the number of persons that would be likely to use the rooms, and the prices they would be willing to pay. If lodgers were likely to be few and poor, a long time would be required to be given; but if, on the contrary, the community were so great and prosperous as to render it certain that all the rooms would be occupied every day in the year, and at such prices as would speedily repay the labor and skill that had been required, the time allowed would be short. Here, as we see, the course of things would be entirely different from that which is observed in regard to books, the monopoly of which has increased in length with the growth, in wealth and number, of the consumers, and is now attempted, by the aid of international copyright, to be extended over millions of men who are yet exempt from its operation.

The people of this country own a vast quantity of wild land, which by slow degrees acquires a money value, that value being due to the contributions of thousands and tens of thousands of people who are constantly making roads towards them, and thus facilitating the exchange of such commodities as may be raised from them. These lands are common property, but the whole body of their owners has agreed that whenever any one of their number desires to purchase out the interest of his partners he may do so at $1.25 per acre. They do not *give* him any of the common property; they require him to purchase and pay for it.

With authors they pursue a more liberal course. They say: "We have extensive fields in which hundreds of thousands of men have labored for many centuries. They were at first wild lands, as wild as those of the neighborhood of the Rocky Mountains, but this vast body of laborers has felled the trees and drained the swamps, and has thus removed nearly all the difficulties that stood opposed to profitable cultivation. They have also opened mines of incalculable richness; mines of gold, silver, lead, copper, iron, and other metals, and all of these are common property. The men who executed these important works were our slaves, ill fed, worse clothed, and still worse lodged; and thousands of the most laborious and useful of them have perished of disease and starvation. Great as are the improvements already made, their number is constantly increasing, for we continue to employ such slaves — active, intelligent, and useful men — in extending them, and scarcely a day elapses that does not bring to light some new discovery, tending greatly to increase the value of *our common property*. We invite you, gentlemen, to come and cultivate these lands and work these mines. They are free to all. During the long period of forty-two years you shall have the whole product of your labor, and all we shall ask of you, at the close of that period, will be that you leave behind the common property of which we are now possessed, increased by the addition of such machinery as you may yourselves have made. The corn that you may have extracted, and the gold and silver that you may have mined during that long period, will be the property of yourselves, your wives, and your children. We charge no rent for the use of the lands, no wages for the labor of our slaves." Not satisfied with this, however, the persons who work these rich fields and mines claim to be absolute owners, not only of all the gold and silver they extract, but of all the machinery they construct out of the common property; and out of this claim grows the treaty now before the Senate.

If justice requires the admission of foreigners to the enjoyment of a monopoly of the sale of their books it should be conceded at once to all, and it should be declared that no book should be printed here without the consent of its author, let him be Englishman, Frenchman, German, Russian, or Hindoo. This would certainly greatly increase the difficulty now existing in relation to the dissemination of knowledge; but if justice does require it let it be done. Would it, however, benefit the men who have real claims on our consideration? Let us see. A German devotes his life to the study of the history of his country, and at length produces a work of great value, but of proportional size. Real justice says that his work may not be used without his permission; that the facts he has brought to light from among the vast masses of original documents he has examined are his property, and can be published by none others but himself. The legislation, whose aid is invoked in the name of justice by literary men, speaks, however, very differently. It says: "This work is very cumbrous. To establish his views this man has gone into great detail. If translated, his book will scarcely sell to such extent as to pay the labor. The facts are common property. Out of this book you can make one that will be much more readable, and that will sell, for it will not be of more than one third the size. Take it, then, and extract all you need, and you will do well. You will have, too, another advantage. Translation confers no reputation; but an *original* work, such as I now recommend to you, will give you such a standing as may lead you on to fortune. Few people know any thing of the original work, and it will not be necessary for you to mention that all your materials are thence derived." On the other hand, a lady who has read the work of this poor German finds in it an episode that she expands into a novel, which sells rapidly, and she reaps at home a large reward for her labors; while the man who gave her the idea starves in a garret. A literary friend of the lady novelist, delighted with her success, finds in his countrywoman's treasury of facts the material for a poem out of which he, too, reaps a harvest. Both of these are protected by international copyright, *because they have furnished nothing but the clothing of ideas;* but the man who supplied them with the ideas finds that his book is condensed abroad, and given to the public, perhaps, without even the mention of his name.

The whole tendency of the existing system is to give the largest reward to those whose labors are lightest, and the smallest to those whose labors are most severe; and every extension of it must necessarily look in that direction. The "Mysteries of Paris" were a fortune to Eugene Sue, and "Uncle Tom's Cabin" has been one to Mrs. Stowe. Byron had 2,000 guineas for a volume of "Childe Harold," and Moore 3,000 for his "Lalla Rookh;" and yet a single year should have more than sufficed for the production of any one of them. Under a system of international copyright, Dumas, already so largely paid, would be protected, whereas Thierry, who sacrificed his sight to the gratification of his thirst for knowledge, would not. Humboldt, the philosopher *par excellence* of the age, would not, because he furnishes his readers with things, and not with words alone. Of the books that record his observations on this continent, but a part has, I believe, been translated into English, and of these but a small portion has been republished in this country, although to be had without claim for copyright. In England their sale has been small, and can have done little more than pay the cost of translation and publication. Had it been required to pay for the privilege of translation, but a small part of even those which have been republished would probably have ever seen the light in any but the language of the author. This great man inherited a handsome property which he devoted to the advancement of science, and what has been his pecuniary reward may be seen in the following statement, derived from an address recently delivered in New York:—

> "There are now living in Europe two very distinguished men, barons, both very eminent in their line, both known to the whole civilized world; one is Baron Rothschild, and the other Baron Humboldt; one distinguished for the accumulation of wealth, the other for the accumulation of knowledge. What are the possessions of the philosopher? Why, sir, I heard a gentleman whom I have seen here this afternoon, say that, on a recent visit to Europe, he paid his respects to that distinguished philosopher, and was admitted to an audience. He found him, at the age of 84 years, fresh and vigorous, in a small room, nicely sanded, with a large deal table uncovered in the midst of that room, containing his books and writing apparatus. Adjoining this, was a small bed-room, in which he slept. Here this eminent philosopher received a visitor from the United States. He conversed with him; he spoke of his works. "My works," said he, "you will find in the adjoining library, but I am too poor to own a copy of them. I have not the means to buy a full copy of my own works."

After having furnished to the gentlemen who produce books more of the material of which books are composed than has ever been furnished by any other man, this illustrious man finds himself, at the close of life, altogether dependent on the bounty of the Prussian government, which allows him, as I have heard, less than five hundred dollars a year. In what manner, now, would Humboldt be benefited by international copyright? I know of none; but it is very plain to see that Dumas, Victor Hugo, and George Sand, might derive from it immense revenues. In confirmation of this view, I here ask you to review the names of the persons who urge most anxiously the change of system that is now proposed, and see if you can find in it the name of a single man who has done any thing to extend the domain of knowledge. I think you will not. Next look and see if you do not find in it the names of those who furnish the world with new forms of old ideas, and are largely paid for so doing. The most active advocate of international copyright is Mr. Dickens, who is said to realize $70,000 per annum from the sale of works whose composition is little more than amusement for his leisure hours. In this country, the only attempt that has yet been made to restrict the right of translation is in a suit now before the courts, for compensation for the privilege of converting into German a work that has yielded the largest compensation that the world has yet known for the same quantity of literary labor.

We are constantly told that regard to the interests of science requires that we should protect and enlarge the rights of authors; but does science make any such claim for herself? I doubt it. Men who make additions to science know well that they have, and can have, no rights whatever. Cuvier died very poor, and all the copyright that could have been given to him or Humboldt would not have enriched either the one or the other. Laplace knew well that his great work could yield him nothing. Our own Bowditch translated it as a labor of love, and left by his will the means required for its publication. The gentlemen who advocate the interests of science are literary men who use the facts and ideas furnished by scientific men, paying nothing for their use. Now, literature is a most honorable profession, and the gentlemen engaged in it are entitled not only to the respect and consideration of their fellow-men, but also to the protection of the law; but in granting it, the legislator is bound to recollect, that justice to the men who furnish the raw materials of books, and justice to the community that owns those raw materials, require that protection shall not, either in point of space or time, be greater than is required for giving the producer of books a full and fair compensation for his labor. How the present system operates in regard to English and American authors, I propose to consider in another letter.

LETTER III.

We are assured that justice requires the admission of foreign authors to the privilege of copyright, and in support of the claim that she presents are frequently informed of the extreme poverty of many highly popular English writers. Mrs. Inchbald, so well known as author of the "Simple Story" and other novels, as well as in her capacity of editor, dragged on, as we are told, to the age of sixty, a miserable existence, living always in mean lodgings, and suffering frequently from want of the common comforts of life. Lady Morgan, so well known as Miss Owenson, a brilliant and accomplished woman, is now to some extent dependent upon the public charity, administered in the form of a pension of less than five hundred dollars a year. Mrs. Hemans, the universally admired poetess, lived and died in poverty. Laman Blanchard lost his senses and committed suicide in consequence of being compelled, by his extreme poverty, to the effort of writing an article for a periodical while his wife lay a corpse in the house. Miss Mitford, so well known to all of us, found herself, after a life of close economy, so greatly reduced as to have been under the necessity of applying to her American readers for means to extricate her little property from the rude hands of the sheriff. Like Lady Morgan, she is now a public pensioner. Leigh Hunt is likewise dependent on the public charity. Tom Hood, so well known by his "Song of a Shirt" — the delight of his readers, and a mine of wealth to his publishers; a man without vices, and of untiring industry — lived always from day to day on the produce of his labor. On his death-bed, when his lungs were so worn with consumption that he could breathe only through a silver tube, he was obliged to be propped up with pillows, and, with snaking hand and dizzy head, force himself to the task of amusing his readers, that he might thereby obtain bread for his unhappy wife and children. With all his reputation, Moore found it difficult to support his family, and all the comfort of his declining years was due to the charity of his friend, Lord Lansdowne. In one of his letters from Germany, Campbell expresses himself transported with joy at hearing that a double edition of his poems had just been published in London. "This unexpected fifty pounds," says he, "saves me from jail." Haynes Bayley died in extreme poverty. Similar statements are furnished us in relation to numerous others who have, by the use of their pens, largely contributed to the enjoyment and instruction of the people of Great Britain. It would, indeed, be difficult to find very many cases in which it had been otherwise with persons exclusively dependent on the produce of literary labor. With few and brilliant exceptions, their condition appears to have been, and to be, one of almost hopeless poverty. Scarcely any thing short of this, indeed, would induce the acceptance of the public charity that is occasionally doled out in the form of pensions on the literary fund.

This is certainly an extraordinary state of things, and one that makes to our charitable feelings an appeal that is almost irresistible. Nevertheless, before giving way to such feelings, it would be proper to examine into the real cause of all this poverty, with a view to satisfy ourselves if real charity would carry us in the direction now proposed. The skilful physician always studies the cause of disease before he determines on the remedy, and this course is quite as necessary in prescribing for moral as for physical disorder. Failing to do this, we might increase instead of diminishing the evil, and might find at last that we had been taxing ourselves in vain.

What is claimed by English authors is perpetuity and universality of property in the clothing they supply for the body that is furnished to the world by other and unpaid men; and an examination of the course of proceeding in that country for the last century and a half shows that each step that has been taken has been in that direction. While denying to the producers of facts and ideas any right whatsoever, every act of legislation has tended to give more and more control over their dissemination to men who appropriated them to their own use, and brought them in an attractive form before the reader. Early in the last century was passed an act well known as the Statute of Queen Anne, giving to authors fourteen years as the period during which they were to have a monopoly of the peculiar form of words they chose to adopt in coming before the world. The number of persons then living in England and Wales, and subjected to that monopoly, was about five millions. Since that time the field of its operation has been enlarged, until it now embraces not only England and Wales, but Scotland, Ireland, and the British colonies, containing probably thirty-two millions of people who use the English language. The time, too, has been gradually extended until it now reaches forty-two years, or thrice the period for which it was originally granted. Nevertheless, no life is more precarious than that of an Englishman dependent upon literary pursuits for support. Such men are almost universally poor, and leading men among them, Tennyson and Sir Francis Head for instance, gladly accept the public charity, in the form of pensions for less than five hundred dollars a year. This is not a consequence of limitation in the field of action, for that is six times greater than it was when Gay netted £1,600 from a single opera, and Pope received £6,000 for his "Homer;" five times greater than when Fielding had £1,000 for his "Amelia;" and four times more than when Robertson had £4,500 for his "Charles V.," Gibbon £5,000 for the second part of his history, and McPherson £1,200 for his "Ossian."[1] Since that time money has become greatly more abundant and less valuable; and if we desired to compare the reward of these authors with those of the present day, the former should be trebled in amount, which would give Robertson more than sixty thousand dollars for a work that is comprised in three 8vo. volumes of very moderate size. It is not a consequence of limitation of time, for that has grown from fourteen to forty-two years — more than is required for any book except, perhaps, one in five or ten thousand. It should not be a consequence of poverty in the nation, for British writers assure us that wealth so much abounds that wars are needed to prevent its too rapid growth, and that foreign loans are indispensable for enabling the people of Britain to find an outlet for all their vast accumulations. What, then, is the cause of disease? Why is it that in so wealthy a nation literary men and women are so generally poor that it should be required to bring their poverty before the world, to aid in the demand for an extension to other countries of the monopoly so well secured at home? In that country the fortunes of wealthy men count by millions, and, that being the case, an average contribution of a shilling a head towards paying for the copyright of books, would seem to be the merest trifle to be given in return for the pleasure and the instruction derived from the perusal of the works of English authors, and yet even that small sum does not appear to be paid. Thirty-two millions of shillings make almost eight millions of dollars; a sum sufficient to give to six hundred authors more than thirteen thousand dollars a year, being more than half the salary of the chief magistrate of our Union. Admitting, however, that there were a thousand authors worthy to be paid, and that would most certainly cover them all, it would give to each eight thousand dollars, or one third more than we have been accustomed to allow to men who have devoted their lives to the service of the public, and have at length risen to be Secretaries of State. If English authors were thus largely paid, it would be deemed an absurdity to ask an enlargement of their monopoly; but, as they are not thus paid, it is asked. There is probably but a single literary man in England that receives $8,000 a year for his labors, and it may be doubted if it would be possible to name ten whose annual receipts equal $6,000; while those of a vast majority of them are under $1,500, and very many of them greatly under it. Even were we to increase the number of authors to fifteen hundred, one to every 4,000 males between the ages of 20 and 60 in the kingdom, and to allow them, on an average, $2,000 per annum, it would require but three millions of dollars to pay them, and that could be done by an average contribution of five pence per head of the population, a wonderfully small amount to be paid for literary labor by a nation claiming to be the wealthiest in the world. A shilling a head would give to the whole fifteen hundred salaries nearly equal to those of our Secretaries; and yet we see clever and industrious men, writers of eminence whose readers are to be found in every part of the civilized world, living on in hopeless poverty, and dying with the knowledge that they are leaving widows and children to the "tender mercies" of a world in which they themselves have shone and starved. Viewing all these facts, it may, I think, well be doubted if the annual contributions of the people subject to the British copyright act for the support of the persons who produce their books, much exceeds three pence, or six cents, per head; and here it is that we are to find the real difficulty — one not to be removed by us. The home market is the important one, whether for words or things, and when that is bad but little benefit can be derived from any foreign one; and every effort to extend the latter will, under such circumstances, be found to result in disappointment. It can act only as a plaster to conceal the sore, while the sore itself becomes larger and more dangerous from day to day. To effect a cure, the sore itself must be examined and its cause removed. To cure the disease so prevalent among British authors we must first seek for the causes why the home market for the products of their labor is so very small, and that will be found in the steadily growing tendency towards centralization, so obvious in every part of the operations of the British empire. Centralization and civilization have in all countries, and at all periods of the world, been opposed to each other, and that such is here the case can, I think, readily be shown.

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[1] The several figures here given are from a statement in a British journal. Whether they are perfectly accurate, or not, I have no means of determining.

Among the earliest cases in which this tendency was exhibited was that of the Union by which the kingdom of Scotland was reduced to the condition of a province of England, and Edinburgh, from being the capital of a nation, to becoming a mere provincial town. By many and enlightened Scotchmen a federal union would have been preferred; but a legislative one was formed, and from that date the whole public revenue of Scotland tended towards London, towards which tended also, and necessarily, all who sought for place, power, or distinction. An absentee government produced, of course, absentee landholders, and with each step in this direction there was a diminution in the demand at home for talent, which thenceforward sought a market in the great city to which the rents were sent. The connection between the educated classes of Scotland and the Scottish seats of learning tended necessarily to decline, while the connection between the former and the universities of England became more intimate. These results were, of course, gradually produced, but, as is the case with the stone as it falls towards the earth, the attraction of centralization grew with the growth of the city that was built out of the contributions of distant provinces, while the counteracting power of the latter as steadily declined, and the greater the decline the more rapid does its progress now become. Seventy years after the date of the Union, Edinburgh was still a great literary capital, and could then offer to the world the names of numerous men of whose reputation any country of the world might have been proud: Burns and McPherson; Robertson and Hume; Blair and Kames; Reid, Smith, and Stewart; Monboddo, Playfair, and Boswell; and numerous others, whose reputation has survived to the present day. Thirty-five years later, its press furnished the world with the works of Jeffrey and Brougham; Stewart, Brown, and Chalmers; Scott, Wilson, and Joanna Baillie; and with those of many others whose reputation was less widely spread, among whom were Galt, Hogg, Lockhart, and Miss Ferrier, the authoress of "Marriage." The "Edinburgh Review" and "Blackwood's Magazine," then, to a great extent, represented Scottish men, and Scottish modes of thought. Looking now on the same field of action, it is difficult, from this distance, to discover more than two Scottish authors, Alison and Sir William Hamilton, the latter all "the more conspicuous and remarkable, as he now," says the "North British Review" (Feb. 1853), "stands so nearly alone in the ebb of literary activity in Scotland, which has been so apparent during this generation." McCulloch and Macaulay were both, I believe, born in Scotland, but in all else they are English. Glasgow has recently presented the world with a new poet, in the person of Alexander Smith, but, unlike Ramsay and Burns, there is nothing Scottish about him beyond his place of birth. "It is not," says one of his reviewers, "Scottish scenery, Scottish history, Scottish character, and Scottish social humor, that he represents or depicts. Nor is there," it continues, "any trace in him of that feeling of intense nationality so common in Scottish writers. London," as it adds, "a green lane in Kent, an English forest, an English manor-house, these are the scenes where the real business of the drama is transacted."[1]

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[1] *North British Review*, Aug. 1863.

The "Edinburgh Review" has become to all intents and purposes an English journal, and "Blackwood" has lost all those characteristics by which it was in former times distinguished from the magazines published south of the Tweed.

Seeing these facts, we can scarcely fail to agree with the Review already quoted, in the admission that there are "probably fewer leading individual thinkers and literary guides in Scotland at present than at any other period of its history since the early part of the last century," since the day when Scotland itself lost its individuality. The same journal informs us that "there is now scarcely an instance of a Scotchman holding a learned position in any other country," and farther says that "the small number of names of literary Scotchmen known throughout Europe for eminence in literature and science is of itself sufficient to show to how great an extent the present race of Scotchmen have lost the position which their ancestors held in the world of letters."[1]

How, indeed, could it be otherwise? Centralization tends to carry to London all the wealth and all the expenditure of the kingdom, and thus to destroy everywhere the local demand for books or newspapers, or for men capable of producing either. Centralization taxes the poor people of the north of Scotland, and their complaints of distress are answered by an order for their expulsion, that place may be made for sheep and shepherds, neither of whom make much demand for books. Centralization appropriates millions for the improvement of London and the creation of royal palaces and pleasure-grounds in and about that city, while Holyrood, and all other of the buildings with which Scottish history is connected, are allowed to go to ruin. Centralization gives libraries and museums to London, but it refuses the smallest aid to the science or literature of Scotland. Centralization deprives the people of the power to educate themselves, by drawing from them more than thirty millions of dollars, raised by taxation, and it leaves the professors in the colleges of Scotland in the enjoyment of chairs, the emoluments of many of which are but $1,200 per annum. Whence, then, can come the demand for books, or the power to compensate the people who make them? Not, assuredly, from the mass of unhappy people who occupy the Highlands, whose starving condition furnishes so frequent occasion for the comments of their literary countrymen; nor, as certainly, from the wretched inhabitants of the wynds of Glasgow, or from the weavers of Paisley. Centralization is gradually separating the people into two classes — the very rich, who live in London, and the very poor, who remain in Scotland; and with the progress of this division there is a gradual decay in the feeling of national pride, that formerly so much distinguished the people of Scotland. The London "Leader" tells its readers that "England is a power made up of conquests over nationalities;" and it is right. The nationality of Scotland has disappeared; and, however much it may annoy our Scottish friends[1] to have the energetic and intelligent Celt sunk in the "slow and unimpressible" Saxon, such is the tendency of English centralization, everywhere destructive of that national feeling which is essential to progress in civilization.

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[1] *North British Review*, May, 1853.

Looking to Ireland, we find a similar state of things. Seventy years since, that country was able to insist upon and to establish its claim for an independent government, and, by aid of the measures then adopted, was rapidly advancing. From that period to the close of the century the demand for books for Ireland was so great as to warrant the republication of a large portion of those produced in England. The *kingdom* of Ireland of that day gave to the world such men as Burke and Grattan, Moore and Edgeworth, Curran, Sheridan, and Wellington. Centralization, however, demanded that Ireland should become a province of England, and from that time famines and pestilences have been of frequent occurrence, and the whole population is now being expelled to make room for the "slow and unimpressible" Saxon race. Under these circumstances, it is matter of small surprise that Ireland not only produces no books, but that she furnishes no market for those produced by others. Half a century of international copyright has almost annihilated both the producers and the consumers of books.

Passing towards England we may for a moment look to Wales, and then, if we desire to find the effects of centralization and its consequent absenteeism, in neglected schools, ignorant teachers, decaying and decayed churches, and drunken clergymen with immoral flocks, our object will be accomplished by studying the pages of the "Edinburgh Review"[2] In such a state of things as is there described there can be little tendency to the development

[1] See *Blackwood's Magazine*, Sept. 1853, art. "Scotland since the Union."

[2] April, 1853, art. "The Church in the Mountains."

of intellect, and little of either ability or inclination to reward the authors of books. In my next, I will look to England herself.

LETTER IV.

Arrived in England, we find there everywhere the same tendency towards centralization. Of the 200,000 small landed proprietors of the days of Adam Smith but few remain, and of even those the number is gradually diminishing. Great landed estates have everywhere absentees for owners, agents for managers, and day laborers for workmen. The small landowner was a resident, and had a personal interest in the details of the neighborhood, not now felt by either the owner or the laborer. This state of things existed to a considerable extent five-and-thirty years ago, but it has since grown with great rapidity. At that time Great Britain could exhibit to the world perhaps as large a body of men and women of letters, with world-wide reputation, as ever before existed in any country or nation, as will be seen from the following list: —

Byron,
Moore,
Scott,
Wordsworth,
Rogers,
Campbell,
Joanna Baillie,
Southey,
Gifford,
Jeffrey,
Sydney Smith,
Brougham,
Horner,
Wilson,
Hallam,
Roscoe,
Malthus,
Ricardo,
Mill,
Chalmers,
Coleridge,
Heber,
Bentham,
Brown,
Mackintosh,
Stewart,
Clarkson,
Landor,
Wellington,[1]
Robert Hall,
Taylor,
Romilly,
Edgeworth,
Hannah More,
Dalton,
Davy,
Wollaston,
The Herschels,
Dr. Clarke.

DeQuincey was then just coming on the stage. Crabbe, Shelley, Keats, Croly, Hazlitt, Lockhart, Lamb, Hunt, Galt, Lady Morgan, Miss Mitford, Horace Smith, Hook, Milman, Miss Austen, and a host of others, were already on it. Many of these appear to have received rewards far greater than fall now to the lot of some of the most distinguished literary men. Crabbe is said

[1] Wellington's dispatches place him in the first rank of historians.

to have received 3,000 guineas, or $15,000, for his "Tales of the Hall," and Theodore Hook 2,000 guineas for "Sayings and Doings," and, if the facts were so, they prove that poets and novelists were far more valued then than now. At that time, Croker, Barrow, and numerous other men of literary reputation co-operated with Southey and Gifford in providing for the pages of the "Quarterly." All these, men and women, were the product of the last century, when the small landholders of England yet counted by hundreds of thousands.

Since then, centralization has made great progress. The landholders now amount, as we are informed, to only 30,000, and the gulf which separates the great proprietor from the cultivator has gradually widened, as the one has become more an absentee and the other more a day laborer. The greater the tendency towards the absorption of land by the wealthy banker and merchant, or the wealthy cotton-spinner like Sir Robert Peel, the greater is the tendency towards its abandonment by the small proprietor, who has an interest in local self-government, and the greater the tendency towards the centralization of power in London and in the great seats of manufacture. In all those places, it is thought that the prosperity of England is dependent upon "a cheap and abundant supply of labor."[1] The "Times" assures its readers that it is "to the cheap labor of Ireland that England is indebted for all her great works;" and that note is repeated by a large portion of the literary men of England who now ask for protection in the American market against the effects of the system they so generally advocate.

The more the people of Scotland can be driven from the land to take refuge in Glasgow and Paisley, the cheaper must be labor. The more those of Ireland can be driven to England, the greater must be the competition in the latter for employment, and the lower must be the price of labor. The more the land of England can be centralized, the greater must be the mass of people seeking employment in London, Liverpool, Manchester, and Birmingham, and the cheaper must labor be.

Low-priced laborers cannot exercise self-government. All they earn is required for supplying themselves with indifferent food, clothing, and lodging, and they cannot control the expenditure of their wages to such extent as to enable them to educate their children, and hence it is that the condition of the people of England is as here described: —

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[1] *North British Review*, November, 1852.

> "About one half of our poor can neither read nor write. The test of signing the name at marriage is a very imperfect absolute test of education, but it is a very good relative one: taking that test, how stands Leeds itself in the Registrar-General's returns? In Leeds, which is the centre of the movement for letting education remain as it is, left entirely to chance and charity to supply its deficiencies, how do we find the fact? This, that in 1846, the last year to which these returns are brought down, of 1,850 marriages celebrated in Leeds and Hunslet, 508 of the men and 1,020 of the women, or considerably more than one half of the latter, signed their names with marks. 'I have also a personal knowledge of this fact — that of 47 men employed upon a railway in this immediate neighborhood, only 14 can sign their names in the receipt of their wages; and this not because of any diffidence on their part, but positively because they cannot write.' And only lately, the "Leeds Mercury" itself gave a most striking instance of ignorance among persons from Bœotian Pudsey: of 12 witnesses, 'all of respectable appearance, examined before the Mayor of Bradford at the court-house there, only one man could sign his name, and that indifferently.' Mr. Neison has clearly shown, in statistics of crime in England and Wales from 1834 to 1844, that crime is invariably the most prevalent in those districts where the fewest numbers in proportion to the population can read and write. Is it not, indeed, beginning at the wrong end to try and reform men after they have become criminals? Yet you cannot begin with children, from want of schools. Poverty is the result of ignorance, and then ignorance is again the unhappy result of poverty. 'Ignorance makes men improvident and thoughtless — women as well as men; it makes them blind to the future — to the future of this life as well as the life beyond. It makes them dead to higher pleasures than those of the mere senses, and keeps them down to the level of the mere animal. Hence the enormous extent of drunkenness throughout this country, and the frightful waste of means which it involves.' At Bilston, amidst 20,000 people, there are but two struggling schools — one has lately ceased; at Millenhall, Darlaston, and Pelsall, amid a teeming population, no school whatever. In Oldham, among 100,000, but one public day-school for the laboring classes; the others are an infant-school, and some dame and factory schools. At Birmingham, there are 21,824 children at school, and 23,176 at no school; at Liverpool, 50,000 out of 90,000 at no school; at Leicester, 8,200 out of 12,500; and at Leeds itself, in 1841 (the date of the latest returns), some 9,600 out of 16,400 were at no school whatever. It is the same in the counties. 'I have seen it stated that a woman for some time had to officiate as clerk in a church in Norfolk, there being no adult male in the parish able to read and write.' For a population of 17,000,000 we have but twelve normal schools; while in Massachusetts they have three such schools for only 800,000 of population."

Poverty and ignorance produce intemperance and crime, and hence it is that both so much abound throughout England. Infanticide, as we are told, prevails to an extent unknown in any other part of the world. Looking at all these facts, we can readily see that the local demand for information throughout England must be very small, and this enables us to account for the extraordinary fact, that in all that country there has been no daily newspaper printed out of London. There is, consequently, no local demand for literary talent. The weekly papers that are published require little of the pen, but much of the scissors. The necessary consequence of this is, that every young man who fancies he can write, must go to London to seek a channel through which he may be enabled to come before the public. Here we have centralization again. Arrived in London, he finds a few daily papers, but only one, as we are told, that pays its expenses, and around each of them is a corps of writers and editors as ill-disposed to permit the introduction of any new laborers in their field as are the street-beggars of London to permit any interference with their "beat." If he desires to become contributor to the magazines, it is the same. To obtain the privilege of contributing his "cheap labor" to their pages, he must be well introduced, and if he make the attempt without such introduction he is treated with a degree of insolence scarcely to be imagined by any one not familiar with the "answers to correspondents" in London periodicals. If disposed to print a book he finds a very limited number of publishers, each one surrounded with his corps of authors and editors, and generally provided with a journal in which to have his own books well placed before the world. If, now, he succeeds in gaining favorable notice, he finds that he can obtain but a very small proportion of the price of his book, even if it sell, because centralization requires that all books shall be advertised in certain London journals that charge their own prices, and thus absorb the proceeds of no inconsiderable portion of the edition. Next, he finds the Chancellor of the Exchequer requiring a share of the proceeds of the book for permission to use paper, and further permission to advertise his work when printed.[1] Inquiring to what purpose are devoted the proceeds of all these taxes, he learns that the centralization which it is the object of the British cheap-labor policy to establish, requires the maintenance of large armies and large fleets which absorb more than all the profits of the commerce they protect. The bookseller informs him that he must take the risk of finding paper, and of paying the Chancellor of the Exchequer, and the "Times" and numerous other journals; that every editor will expect a copy; that the interests of science require that he, poor as he is, shall give no less than eleven copies to the public; and that the most that can be hoped for from the first edition is, that it will not bring him in debt. His book appears, but the price is high, for the reason that the taxes are heavy, and the general demand for books is small. Cheap laborers cannot buy books; soldiers and sailors cannot buy books; and thus does centralization diminish the market for literary talent while increasing the cost of bringing it before the world. Centralization next steps in, in the shape of circulating libraries, that, for a few guineas a year, supply books throughout the kingdom, and enable hundreds of copies to do the work that should be done by thousands, and hence it is that, while first editions of English works are generally small, so very few of them ever reach second ones. Popular as was Captain Marryat, his first editions were, as he himself informed me, for some time only 1,500, and had not then risen above 2,000. Of Mr. Bulwer's novels, so universally popular, the first edition never exceeded 2,500; and so it has been, and is, with others. With all Mr. Thackeray's popularity, the sale of his books has, I believe, rarely gone beyond 6,000 for the supply of above thirty millions of people. Occasionally, a single author is enabled to fix the attention of the public, and he is enabled to make a fortune — not from the sale of large quantities at low prices, but of moderate quantities at high prices. The chief case of the kind now in England is that of Mr. Dickens, who sells for twenty shillings a book that costs about four shillings and sixpence to make, and charges his fellow-laborers in the field of literature an enormous price for the privilege of attaching to his numbers the advertisements of their works, as is shown in the following paragraph from one of the journals of the day: —

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[1] The tax on advertisements has just now been repealed, but that tax was a small one when compared with that imposed by centralization.

> "Thus far, no writer has succeeded in drawing so large pecuniary profits from the exercise of his talents as Charles Dickens. His last romance, "Bleak House," which appeared in monthly numbers, had so wide a circulation in that form that it became a valuable medium for advertising, so that before its close the few pages of the tale were completely lost in sheets of advertisements which were stitched to them. The lowest price for such an advertisement was £1 sterling, and many were paid for at the rate of £5 and £6. From this there is nothing improbable in the supposition that, in addition to the large sum received for the tale, its author gained some £15,000 by his advertising sheets. The "Household Words" produces an income of about £4,000, though Dickens, having put it entirely in the hands of an assistant editor, has nothing to do with it beyond furnishing a weekly article. Through his talents alone he has raised himself from the position of a newspaper reporter to that of a literary Crœsus."

Centralization produces the "cheap and abundant supply of labor" required for the maintenance of the British manufacturing system, and "cheap labor" furnishes Mr. Dickens with his "Oliver Twist," his "Tom-all-alone's," and the various other characters and situation by aid of whose delineation he is enabled, as a German writer informs us, to have dinners

> "at which the highest aristocracy is glad to be present, and where he equals them in wealth, and furnishes an intellectual banquet of wit and wisdom which they, the highest and most refined circles, cannot imitate."

Centralization enables Mr. Dickens to obtain vast sums by advertising the works of the poor authors by whom he is surrounded, most of whom are not only badly paid, but insolently treated, while even of those whose names and whose works are well known abroad many gladly become recipients of the public charity. In the zenith of her reputation, Lady Charlotte Bury received, as I am informed, but £200 ($960) for the absolute copyright of works that sold for $7.50. Lady Blessington, celebrated as she was, had but from three to four hundred pounds; and neither Marryat nor Bulwer ever received, as I believe, the selling price of a thousand copies of their books as compensation for the copyright.[1] Such being the facts in regard to well-known authors, some idea may be formed in relation to the compensation of those who are obscure. The whole tendency of the "cheap labor" system, so generally approved by English writers, is to destroy the value of literary labor by increasing the number of persons who *must* look to the pen for means of support, and by diminishing the market for its products. What has been the effect of the system will now be shown by placing before you a list of the names of all existing British authors whose reputation can be regarded as of any wide extent, as follows: —

Tennyson,
Carlyle,
Dickens,
Thackeray,
Bulwer,
Alison,
Grote,
Macaulay,
J. S. Mill,
McCulloch,
Hamilton,
Faraday.

This list is very small as compared with that presented in the same field five-and-thirty years since, and its difference in weight is still greater than in number. Scott, the novelist and poet, may certainly be regarded as the counterpoise of much more than any one of the writers of fiction in this list. Byron, Moore, Rogers, and Campbell enjoyed a degree of reputation far exceeding that of Tennyson. Wellington, the historian of his own campaigns, would much outweigh any of the historians. Malthus and Ricardo were founders of a school that has greatly influenced the policy of the world, whereas McCulloch and Mill are but disciples in that school. Dalton, Davy, and Wollaston will probably occupy a larger space in the history of science than Sir Michael Faraday, large, even, as may be that assigned to him.

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[1] This I had from Captain Marryat himself.

Extraordinary as is the existence of such a state of things in a country claiming so much to abound in wealth, it is yet more extraordinary that we look around in vain to see who are to replace even these when age or death shall withdraw them from the literary world. Of all here named, Mr. Thackeray is the only one that has risen to reputation in the last ten years, and he is no longer young; and even he seeks abroad that reward for his efforts which is denied to him by the "cheap labor" system at home. Of the others, nearly, if not quite all, have been for thirty years before the world, and, in the natural course of things, some of them must disappear from the stage of authorship, if not of life. If we seek their successors among the writers for the weekly or monthly journals, we shall certainly fail to find them. Looking to the Reviews, we find ourselves forced to agree with the English journalist, who informs his readers that "it is said, and with apparent justice, that the quarterlies are not as good as they were." From year to year they have less the appearance of being the production of men who looked to any thing beyond mere pecuniary compensation for their labor. In reading them we find ourselves compelled to agree with the reviewer who regrets to see that the centralization which is hastening the decline of the Scottish universities is tending to cause the mind of the whole youth of Scotland to be

> "Cast in the mould of English universities, institutions which, from their very completeness, exercise on second-rate minds an influence unfavorable to originality and power of thought." — *North British Review*, May 1853.

Their pupils are, as he says, struck "with one mental die," than which nothing can be less favorable to literary or scientific development.

Thirty years since, Sir Humphrey Davy spoke with his countrymen as follows: —

> "There are very few persons who pursue science with true dignity; it is followed more as connected with objects of profit than fame." — *Consolation in Travel.*

Since then, Sir John Herschel has said to them: —

> "Here whole branches of continental study are unstudied, and indeed almost unknown by name. It is in vain to conceal the melancholy truth. We are fast dropping behind." — *Treatise on Sound.*

A late writer, already quoted, says that learning is in disrepute. The English people, as he informs us, have

> "No longer time or patience for the luxury of a learned treatment of their interests; and a learned lawyer or statesmen, instead of being eagerly sought for, is shunned as an impediment to public business." — *North British Review.*

The reviewer is, as he informs us, "far from regarding this tendency, unfavorable as it is to present progress, as a sign of social retrogression." He thinks that

> "Reference to general principles for rules of immediate action on the part of those actually engaged in the dispatch of business, must, from the delay which it necessarily occasions, come to be regarded as a worse evil than action which is at variance with principle altogether."

Demand tends to procure supply. Destroy the demand, and the supply will cease. Science, whether natural or social, is not in demand in Great Britain, and hence the diminution of supply. We have here the secret of literary and scientific decline, so obvious to all who study English books or journals, or read the speeches of English statesmen. Empiricism prevails everywhere, and there is a universal disposition to avoid the study of principles. The "cheap labor" system, which it is the object of the whole British policy to establish, cannot be defended on principle, and therefore principles are avoided. Centralization, cheap labor, and enslavement of the body and the mind, travel always in company, and with each step of their progress there is an increasing tendency towards the accumulation of power in the hands of men who should be statesmen, the difficulties of whose positions forbid, however, that they should refer to scientific principles for their government. Action must be had, and immediate action in opposition to principle is preferable to delay; and hence it is that real statesmen are "shunned as an impediment to public business." The greater the necessity for statesmanship, the more must statesmen be avoided. The nearer the ship is brought to the shoal, the more carefully must her captain avoid any reference to the chart. That such is the practice of those charged with the direction of the affairs of England, and such the philosophy of those who control her journals, is obvious to all who study the proceedings of the one or the teachings of the other. From year to year the ship becomes more difficult of management, and there is increasing difficulty in finding responsible men to take the helm. Such are the effects upon mind that have resulted from that "destruction of nationalities" required for the perfection of the British system of centralization.

England is fast becoming one great shop, and traders have, in general, neither time nor disposition to cultivate literature. The little proprietors disappear, and the day laborers who succeed them can neither educate their children nor purchase books. The great proprietor is an absentee, and he has little time for either literature or science. From year to year the population of the kingdom becomes more and more divided into two great classes; the very poor, with whom food and raiment require all the proceeds of labor, and the very rich who prosper by the cheap labor system, and therefore eschew the study of principles. With the one class, books are an unattainable luxury, while with the other the absence of leisure prevents the growth of desire for their purchase. The sale is, therefore, small; and hence it is that authors are badly paid. In strong contrast with the limited sale of English books at home, is the great extent of sale here, as shown in the following facts: Of the octavo edition of the "Modern British Essayists," there have been sold in five years no less than 80,000 volumes. Of Macaulay's "Miscellanies," 3 vols. 12mo., the sale has amounted to 60,000 volumes. Of Miss Aguilar's writings, the sale, in two years, has been 100,000 volumes. Of Murray's "Encyclopedia of Geography," more than 50,000 volumes have been sold, and of McCulloch's "Commercial Dictionary," 10,000 volumes. Of Alexander Smith's poems, the sale, in a few months, has reached 10,000 copies. The sale of Mr. Thackeray's works has been quadruple that of England, and that of the works of Mr. Dickens counts almost by millions of volumes. Of "Bleak House," in all its various forms — in newspapers, magazines, and volumes — it has already amounted to several hundred thousands of copies. Of Bulwer's last novel, since it was completed, the sale has, I am told, exceeded 35,000. Of Thiers's "French Revolution and Consulate," there have been sold 32,000, and of Montagu's edition of Lord Bacon's works 4,000 copies.

If the sales of books were as great in England as they are here, English authors would be abundantly paid. In reply it will be said their works are cheap here because we pay no copyright. For payment of the authors, however, a very small sum would be required, if the whole people of England could afford, as they should be able to do, to purchase books. A contribution of a shilling per head would give, as has been shown, a sum of almost eight millions of dollars, sufficient to pay to fifteen hundred salaries nearly equal to those of our Secretaries of State. Centralization, however, destroys the market for books, and the sale is, therefore, small; and the few successful writers owe their fortunes to the collection of large contributions made among a small number of readers; while the mass of authors live on, as did poor Tom Hood, from day to day, with scarcely a hope of improvement in their condition.

Sixty years since, Great Britain was a wealthy country, abounding in libraries and universities, and giving to the world some of the best, and best paid, writers of the age. At that time the people of this country were but four millions, and they were poor, while unprovided with either books or libraries. Since then they have grown to twenty-six millions, millions of whom have been emigrants, in general arriving here with nothing but the clothing on their backs. These poor men have had every thing to create for themselves — farms, roads, houses, libraries, schools, and colleges; and yet, poor as they have been, they furnish now a demand for the principal products of English mind greater than is found at home. If we can make such a market, why cannot they? If they had such a market, would it not pay their authors to the full extent of their merits? Unquestionably it would; and if they see fit to pursue a system tending to cheapen the services of the laborer in the field, in the workshop, and at the desk, there is no more reason for calling upon the people of this country to make up their deficiencies towards those who contribute to their pleasure or instruction by writing books, than there would be in asking us to aid in supporting the hundreds of thousands of day laborers, their wives and children, whom the same system condemns, unpitied, to the workhouse.

But, it will be asked, is it right that we should read the works of Macaulay, Dickens, and others, without compensation to the authors? In answer, it may be said, that we give them precisely what their own countrymen have given to their Dalton, Davy, Wollaston, Franklin, Parry, and the thousands of others who have furnished the bodies of which books are composed — and more than we ourselves give to the men among us engaged in cultivating science — fame. This, it will be said, is an unsubstantial return; yet Byron deemed it quite sufficient when he first saw an American edition of his works, coming, as it seemed to him, "from posterity." Miss Bremer found no small reward for her labors in knowing the high regard in which she was held; and it was no small payment when, even in the wilds of the West, she met with numerous persons who would gladly have her travel free of charge, because of the delight she had afforded them. Miss Carlen tells her readers that "of one triumph" she was proud. "It was," she says, "when I held in my hand, for the first time, one of my works, translated and published in America. My eyes filled with tears. The bright dreams of youth again passed before me. Ye Americans had planted the seed, and ye also approved of the fruit!" This is the feeling of a writer that cultivates literature with some object in view other than mere profit. It differs entirely from that of English authors, because in England, more than in any other country, book-making is a trade, carried on exclusively with a view to profit; and hence it is that the character of English books so much declines.

But is it really true that foreign authors derive no pecuniary advantage from the republication of their books in this country? It is not. Mr. Macaulay has admitted that much of his reputation, and of the sale of his books at home, had been a consequence of his reputation here, where his Essays were first reprinted. At the moment of writing this, I have met with a notice of his speeches, first collected here, from which the following is an extract: —

> "We owe much to America. Not content with charming us with the works of her native genius, she teaches us also to appreciate our own. She steps in between the timidity of a British author, and the fastidiousness of the British public, and by using her 'good offices' brings both parties to a friendly understanding." — *Morning Chronicle.*

If the people of England are largely indebted to America for being made acquainted with the merits of their authors, are not these latter also indebted to America for much of their pecuniary reward? Undoubtedly they are. Mr. Macaulay owes much of his fortune to American publishers, readers, and critics; and such is the case to perhaps a greater extent with Mr. Carlyle, whose papers were first collected here, and their merits thus made known to his countrymen. Lamb's papers of "Elia" were first collected here. It is to the diligence of an American publisher that De Quincey owes the publication of a complete edition of his works, now to be followed by a similar one in England. The papers of Professor Wilson owe their separate republication to American booksellers. The value of Mr. Thackeray's copyrights has been greatly increased by his reception here. So has it been with Mr. Dickens. All of those persons profit largely by their fame abroad, while the men who contribute to the extension of knowledge by the publication of facts and ideas never reap profit from their publication abroad, and are rarely permitted to acquire even fame. Godfrey died poor. The merchants of England gave no fortune to his children, and Hadley stole his fame. The people of that country, who travel in steam-vessels, have given to the family of Fulton no pecuniary reward, while her writers have uniformly endeavored to deprive him of the reputation which constituted almost the sole inheritance of his family. The whole people of Europe are profiting by the discovery of chloroform; but who inquires what has become of the family of its unfortunate discoverer? Nobody! The people of England profit largely by the discoveries of Fourcroy, Berzelius, and many other of the continental philosophers; but do those who manufacture cheap cloth, or those who wear it, contribute to the support of the families of those philosophers? Did they contribute to their support while alive? Certainly not. To do so would have been in opposition to the idea that the real contributors to knowledge should be "hewers of wood and drawers of water" for the gentlemen who dress up their facts and ideas in an attractive form and place them before the world in the form of cloth or books.

We are largely indebted to the labors of literary men, and they should be well paid, but their claims to pecuniary reward have been much exaggerated, because they have held the pen and have had always a high degree of belief in their own deserts. Their right in the books they publish is precisely similar to, and no greater than, that of the man who culls the flowers and arranges the bouquets; and, when that is provided for, their books are entitled to become common property. English authors are already secured in a monopoly for forty-two years among a body of people so large that a contribution of a shilling a head would enable each and all of them to live in luxury; and if British policy prevents their countrymen from paying them, it is to the British Parliament they should look for redress, and not to our Executive. When they shall awaken to the fact that "cheap labor" with the spade, the plough, and the loom, brings with it necessarily "cheap labor" with the pen, they will become opponents, and cease to be advocates of the system under which they suffer. All that, in the mean time, we can say to them is, that we protect our own authors by giving them a monopoly of our own immense and rapidly growing market, and that if they choose to come and live among us we will grant them the same protection. We may now look to the condition of our own literary men.

LETTER V.

Our system is based upon an idea directly the reverse of the one on which rests the English system — that of decentralization; and we may now study its effects as shown in the development of literary tendencies and in the reward of authors.

Centralization tends towards taxing the people for building up great institutions at a distance from those who pay the taxes; decentralization towards leaving to the people to tax themselves for the support of common and high schools in their immediate neighborhood. The first tends towards placing the man who has instruction to sell at a distance from those who need to buy it; while the other tends towards bringing the teacher to the immediate vicinity of the scholars, and thus diminishing the cost of education. The effects of the latter are seen in the fact that the new States, no less than the old ones, are engaged in an effort to enable all, without distinction of sex or fortune, to obtain the instruction needful for enabling them to become consumers of books, and customers to the men who produce them. Massachusetts exhibits to the world 182,000 scholars in her public schools; New York, 778,000 in the public ones, and 75,000 in the private ones; and Iowa and Wisconsin are laying the foundation of a system that will enable them, at a future day, to do as much. Boston taxes herself $365,000 for purposes of education, while Philadelphia expends more than half a million for the same purposes, and exhibits 50,000 children in her public schools. Here we have, at once, a great demand for instructors, offering a premium on intellectual effort, and its effect is seen in the numerous associations of teachers, each anxious to confer with the others in regard to improvement in the modes of education. School libraries are needed for the children, and already those of New York exhibit about a million and a half of volumes. Books of a higher class are required for the teachers, and here is created another demand leading to the preparation of new and improved books by the teachers themselves. The scholars enter life and next we find numerous apprentices' libraries and mercantile libraries, producing farther demand for books, and aiding in providing reward for those to whom the world is indebted for them. Everybody *must* learn to read and write, and everybody *must* therefore have books; and to this universality of demand it is due that the sale of those required for early education is so immense. Of the works of Peter Parley it counts by millions; but if we take his three historical books (price 75 cents each) alone, we find that it amounts to between half a million and a million of volumes. Of Goodrich's United States it has been a quarter of a million. Of Morse's Geography and Atlas (50 cents) the sale is said to be no less than 70,000 per annum. Of Abbott's histories the sale is said to have already been more than 400,000, while of Emerson's Arithmetic and Reader it counts almost by millions. Of Mitchell's several geographies it is 400,000 a year.

In other branches of education the same state of things is seen to exist. Of the Boston Academy's collection of sacred music the sale has exceeded 600,000; and the aggregate sale of five books by the same author has probably exceeded a million, at a dollar per volume.

Leaving the common schools we come to the high schools and colleges, of which latter the names of no less than 120 are given in the American Almanac. Here again we have decentralization, and its effect is to bring within reach of almost the whole people a higher degree of education than could be afforded by the common schools. The problem to be solved is, as stated by a recent and most enlightened traveller, "How are citizens to be made thinking beings in the greatest numbers?" Its solution is found in making of the educational fabric a great pyramid, of which the common schools form the base and the Smithsonian Institute the apex, the intermediate places being filled with high schools, lyceums, and colleges of various descriptions, fitted to the powers and the means of those who need instruction. All these make, of course, demand for books, and hence it is that the sale of Anthon's series of classics (averaging $1) amounts, as I am told, to certainly not less than 50,000 volumes per annum, while of the "Classical Dictionary" of the same author ($4) not less than thirty thousand have been sold. Of Liddell and Scott's "Greek Lexicon" ($5), edited by Prof. Drisler, the sale has been not less than 25,000, and probably much larger. Of Webster's 4to. "Dictionary" ($6) it has been, I am assured, 60,000, and perhaps even 80,000; and of the royal 8vo. one ($3.50), 250,000. Of Bolmar's French school books not less than 150,00 volumes have been sold. The number of books used in the higher schools — text-books in philosophy, chemistry, and other branches of science — is exceedingly great, and it would be easy to produce numbers of which the sale is from five to ten thousand per annum; but to do so would occupy too much space, and I must content myself with the few facts already given in regard to this department of literature.

Decentralization, or local self-government, tends thus to place the whole people in a condition to read newspapers, while the same cause tends to produce those local interests which give interest to the public journals, and induce men to purchase them. Hence it is that their number is so large. The census of 1850 gives it at 2,625; and the increase since that time has been very great. The total number of papers printed can scarcely be under 600,000,000, which would give almost 24 for every person, old and young, black and white, male and female, in the Union. But recently the newspaper press of the United Kingdom was said to require about 160,000 reams of paper, which would give about 75,000,000 of papers, or two and a half per head.

The number of daily papers was returned at 350, but it has greatly increased, and must now exceed four hundred. Chicago, which then was a small town, rejoices now in no less than 24 periodicals, seven of which are daily, and five of them of the largest size. At St. Louis, which but a few years since was on the extreme borders of civilization, we find several, and one of these has grown from a little sheet of 8 by 12 inches to the largest size, yielding to its proprietors $50,000 per annum, while Liverpool, Manchester, and Birmingham are still compelled to depend upon their tri-weekly sheets. St. Louis itself furnishes the type, and Louisville furnishes the paper. Everywhere, the increase in size is greater than that in the number of newspapers, and the increase of ability in both the city and country press, greater than in either number or size. These things are necessary consequences of that decentralization which builds school-houses and provides teachers, where centralization raises armies and provides generals. The schools enable young men to read, think, and write, and the local newspaper is always at hand in which to publish. Beginning thus with the daily or weekly journal, the youth of talent makes his way gradually to the monthly or quarterly magazine, and ultimately to the independent book.

Examine where we may through the newspaper press, there is seen the activity which always accompanies the knowledge that men *can rise* in the world *if they will;* but this is particularly obvious in the daily press of cities, whose efforts to obtain information, and whose exertions to lay it before the public, are without a parallel. Centralization, like that of the London "Times," furnishes its readers with brief paragraphs of telegraphic news, where decentralization gives columns. The New York "Tribune" furnishes, for two cents, better papers than are given in London for ten, and it scatters them over the country by hundreds of thousands. Decentralization is educating the whole mind of the country, and it is to this it is due that the American farmer is furnished with machines which are, according to the London "Times," "about twice as light in draught as the lightest of English machines of the same description, doing as much, if not more work than the best of them, and with much less power; dressing the grain, which they do not, and which can be profitably disposed of at one half, or at least one third less money than its British rivals" — and is thus enabled to purchase books. Centralization, on the other hand, furnishes the English farmer, according to the same authority, "with machines strong and dear enough to rob him of all future improvements, and tremendously heavy, either to work or to draw;" and thus deprives him of all power to educate his children, or to purchase for himself either books or newspapers.

Religious decentralization exerts also a powerful influence on the arrangements for imparting that instruction which provides purchasers for books. The Methodist Society, with its gigantic operations; the Presbyterian Board of Publication; the Baptist Association; the Sunday-school, and other societies, are all incessantly at work creating readers. The effect of all these efforts for the dissemination of cheap knowledge is shown in the first instance in the number of semi-monthly, monthly, and quarterly journals, representing every shade of politics and religion, and every department of literature and science.

The number of these returned to the census was 175; but that must, I think, have been even then much below the truth. Since then it has been much increased. Of two of them, Putnam's and Harper's, the first exclusively original, and the latter about two thirds so, the sale is about two millions of numbers per annum; while of three others, published in Philadelphia, it is about a million. Cheap as are these journals, at twenty-five cents each, the sum total of the price paid for them by the consumers is about $700,000. The quantity of paper required for a single one of them is about 16,000 reams of double medium, being one tenth as much as has recently been given as the consumption of the whole newspaper press of Great Britain and Ireland. Every pursuit in life, and almost every shade of opinion, has its periodical. A single city in Western New York furnishes no less than four agricultural and horticultural journals, one of them published weekly, with a circulation of 15,000, and the others, monthly, with a joint circulation of 25,000. The "Merchants' Magazine," which set the example for the one now published in London, has a circulation of 3,500. The "Bankers' Magazine" also set the example recently followed in England. Medicine and Law have their numerous and well supported journals; and Dental Surgery alone has five, one of which has a circulation of 5,000 copies, while all Europe has but two, and those of very inferior character.[1] North, south, east, and west, the periodical press is collecting the opinions of all our people, while centralization is gradually limiting the expression of opinion, in England, to those who live in and near London.

Upon this extensive base of cheap domestic literature rests that portion of the fabric composed of reproduction of foreign books, the quantities of some of which were given in my last. The proportion which these bear to American books has been thus given for the six months ending on the 30th of June last: —

[1] It is a remarkable fact that there should be in this country no less than four Colleges of Dental Surgery, while all Europe presents not even a single one.

Republications	169
Original	522
	691

Of these last, 17 were original translations.

We see, thus, that the proportion of domestic to foreign products is already more than three to one. How the sale of the latter compares with that of the former, will be seen by the following facts in relation to books of almost all sizes, prices, and kinds; some of which have been furnished by the publishers themselves, whilst others are derived from gentlemen connected with the trade whose means of information are such as warrant entire reliance upon their statements.

Of all American authors, those of school-books excepted, there is no one of whose books so many have been circulated as those of Mr. Irving. Prior to the publication of the edition recently issued by Mr. Putnam, the sale had amounted to some hundreds of thousands; and yet of that edition, selling at $1.25 per volume, it has already amounted to 144,000 vols. Of "Uncle Tom," the sale has amounted to 295,000 copies, partly in one, and partly in two volumes, and the total number of volumes amounts probably to about 450,000.

	Price per vol.	*Volumes.*
Of the two works of Miss Warner, Queechy, and the Wide, Wide World, the price and sale have been	$ 88	104,000
Fern Leaves, by Fanny Fern, in six months	1 25	45,000
Reveries of a Bachelor, and other books, by Ike Marvel	1 25	70,000
Alderbrook, by Fanny Forester, 3 vols.	50	33,000
Northup's Twelve Years a Slave	1 00	20,000
Novels of Mrs. Hentz, in three years	63	93,000
Major Jones' Courtship and Travels	50	31,000
Salad for the Solitary, by a new author, in five months	1 25	5,000
Headley's Napoleon and his Marshals, Washington and his Generals, and other works	1 25	200,000
Stephen's Travels in Egypt and Greece	87	80,000
" " Yucatan and Central America	2 50	60,000
Kendall's Expedition to Santa Fe	1 25	40,000

	Price per vol.	*Volumes.*
Lynch's Expedition to the Dead Sea, 8vo.	$3 00	15,000
" " " 12mo.	1 25	8,000
Western Scenes	2 50	14,000
Young's Science of Government	1 00	12,000
Seward's Life of John Quincy Adams	1 00	30,000
Frost's Pictorial History of the World, 3 vols.	2 50	60,000
Sparks' American Biography, 25 vols.	75	100,000
Encyclopædia Americana, 14 vols.	2 00	280,000
Griswold's Poets and Prose Writers of America, 3 vols.	3 00	21,000
Barnes' Notes on the Gospels, Epistles, &c., 11 vols.	75	300,000
Aiken's Christian Minstrel, in two years	62	40,000
Alexander on the Psalms, 3 vols.	1 17	10,000
Buist's Flower Garden Directory	1 25	10,000
Cole on Fruit Trees	50	18,000
" Diseases of Domestic Animals.	50	34,000
Downing's Fruits and Fruit Trees	1 50	15,000
" Rural Essays	3 50	3,000
" Landscape Gardening	3 50	9,000
" Cottage Residences	2 00	6,250
" Country Homes	4 00	3,500
Mahan's Civil Engineering	3 00	7,500
Leslie's Cookery and Receipt-books	1 00	96,000
Guyot's Lectures on Earth and Man	1 00	6,000
Wood and Bache's Medical Dispensatory	5 00	60,000
Dunglison's Medical Writings, in all 10 vols.	2 50	50,000
Pancoast's Surgery, 4to.	10 00	4,000
Rayer, Ricord, and Moreau's Surgical Works (translations)	15 00	5,500
Webster's Works, 6 vols.	2 00	46,800
Kent's Commentaries, 4 vols.	3 38	84,000

Next to Chancellor Kent's work comes Greenleaf on Evidence, 3 vols., $16.50; the sale of which has been exceedingly great, but what has been its extent, I cannot say.

Of Blatchford's General Statutes of New York, a local work, price $4.50, the sale has been 3,000; equal to almost 30,000 of a similar work for the United Kingdom.

How great is the sale of Judge Story's books can be judged only from the fact that the copyright now yields, and for years past has yielded, more than $8,000 per annum. Of the sale of Mr. Prescott's works little is certainly known, but it cannot, I understand, have been less than 160,000 volumes. That of Mr. Bancroft's History, has already risen, certainly to 30,000 copies, and I am told it is considerably more; and yet even that is a sale, for such a work, entirely unprecedented.

Of the works of Hawthorne, Longfellow, Bryant, Willis, Curtis, Sedgwick, Sigourney, and numerous others, the sale is exceedingly great; but, as not even an approximation to the true amount can be offered, I must leave it to you to judge of it by comparison with those of less popular authors above enumerated. In several of these cases, beautifully illustrated editions have been published, of which large numbers have been sold. Of Mr. Longfellow's volume there have been no less than ten editions. These various facts will probably suffice to satisfy you that this country presents a market for books of almost every description, unparalleled in the world.

In reflecting upon this subject, it is necessary to bear in mind that the monopoly, granted to authors and their families, is for the term of no less than forty-two years, and that in that period the number of persons subjected to it is likely to grow to little short of a hundred millions, with a power of consumption that will probably be ten times greater than now exists. If the Commentaries of Chancellor Kent continue to maintain their present position, as they probably will, may we not reasonably suppose that the demand for them will continue as great, or nearly so, as it is at present, and that the total sale during the period of copyright will reach a quarter of a million of volumes? So, too, of the histories of Bancroft and Prescott, and of other books of permanent character.

Such being the extent of the market for the products of literary labor, we may now inquire into its rewards.

Beginning with the common schools, we find a vast number of young men and young women acting as teachers of others, while qualifying themselves for occupying other places in life. Many of them rise gradually to become teachers in high schools and professors in colleges, while all of them have at hand the newspaper, ready to enable them, if gifted with the power of expressing themselves on paper, to come before the world. The numerous newspapers require editors and contributors, and the amount appropriated to the payment of this class of the community is a very large one. Next come the magazines, many of which pay very liberally. I have now before me a statement from a single publisher, in which he says that to Messrs. Willis, Longfellow, Bryant, and Alston, his price was uniformly $50 for a poetical article, long or short — and his readers know that they were generally very short; in one case only fourteen lines. To numerous others it was from $25 to $40. In one case he has paid $25 per page for prose. To Mr. Cooper he paid $1,800 for a novel, and $1,000 for a series of naval biographies, the author retaining the copyright for separate publication; and in such cases, if the work be good, its appearance in the magazine acts as the best of advertisements. To Mr. James he paid $1,200 for a novel, leaving him also the copyright. For a single number of the journal he has paid to authors $1,500. The total amount paid for original matter by two magazines — the selling price of which is $3 per annum — in ten years, has exceeded $130,000, giving an average of $13,000 per annum. The Messrs. Harper inform me that the expenditure for literary and artistic labor required for their magazine is $2,000 per month, or $24,000 a year.

Passing upwards, we reach the producers of books, and here we find rewards not, I believe, to be paralleled elsewhere. Mr. Irving stands, I imagine, at the head of living authors for the amount received for his books. The sums paid to the renowned Peter Parley must have been enormously great, but what has been their extent I have no means of ascertaining. Mr. Mitchell, the geographer, has realized a handsome fortune from his school-books. Professor Davies is understood to have received more than $50,000 from the series published by him. The Abbotts, Emerson, and numerous other authors engaged in the preparation of books for young persons and schools, are largely paid. Professor Anthon, we are informed, has received more than $60,000 for his series of classics. The French series of Mr. Bolmar has yielded him upwards of $20,000. The school geography of Mr. Morse is stated to have yielded more than $20,000 to the author. A single medical book, of one 8vo. volume, is understood to have produced its authors $60,000, and a series of medical books has given to its author probably $30,000. Mr. Downing's receipts from his books have been very large. The two works of Miss Warner must have already yielded her from $12,000 to $15,000, and perhaps much more. Mr. Headley is stated to have received about $40,000; and the few books of Ike Marvel have yielded him about $20,000; a single one, "The Reveries of a Bachelor," produced more than $4,000 in the first six months. Mrs. Stowe has been very largely paid. Miss Leslie's Cookery and Receipt books have paid her $12,000. Dr. Barnes is stated to have received more than $30,000 for the copyright of his religious works. Fanny Fern has probably received not less than $6,000 for the 12mo. volume published but six months since. Mr. Prescott was stated, several years since, to have then received $90,000 from his books, and I have never seen it contradicted. According to the rate of compensation generally understood to be received by Mr. Bancroft, the present sale of each volume of his yields him more than $15,000, and he has the long period of forty-two years for future sale. Judge Story died, as has been stated, in the receipt of more than $8,000 per annum; and the amount has not, as it is understood, diminished. Mr. Webster's works, in three years, can scarcely have paid less than $25,000. Kent's Commentaries are understood to have yielded to their author and his heirs more than $120,000, and if we add to this for the remainder of the period only one half of this sum, we shall obtain $180,000, or $45,000 as the compensation for a single 8vo. volume, a reward for literary labor unexampled in history. What has been the amount received by Professor Greenleaf I cannot learn, but his work stands second only, in the legal line, to that of Chancellor Kent. The price paid for Webster's 8vo. Dictionary is understood to be fifty cents per copy; and if so, with a sale of 250,000, it must already have reached $125,000. If now to this we add the quarto, at only a dollar a copy, we shall have a sum approaching to, and perhaps exceeding, $180,000; more, probably, than has been paid for all the dictionaries of Europe in the same period of time. What have been the prices paid to Messrs. Hawthorne, Longfellow, Bryant, Willis, Curtis, and numerous others, I cannot say; but it is well known that they have been very large. It is not, however, only the few who are liberally paid; all are so who manifest any ability, and here it is that we find the effect of the decentralizing system of this country as compared with the centralizing one of Great Britain. There Mr. Macaulay is largely paid for his Essays, while men of almost equal ability can scarcely obtain the means of support. Dickens is a literary Crœsus, and Tom Hood dies leaving his family in hopeless poverty. Such is not here the case. Any manifestation of ability is sure to produce claimants for the publication of books. No sooner had the story of "Hot Corn" appeared in "The Tribune," than a dozen booksellers were applicants to the author for a book. The competition is here for the *purchase* of the privilege of printing, and this competition is not confined to the publishers of a single city, as is the case in Britain. Boston, New York, Philadelphia, and even Auburn and Cincinnati, present numerous publishers, all anxious to secure the works of writers of ability, in any department of literature; and were it possible to present a complete list of our well-paid authors, its extent could not fail to surprise you greatly, as the very few facts that have come to my knowledge in reference to some of the lesser stars of the literary world have done by me. You will observe that I have confined myself to the question of demand for books and compensation to their authors, without reference to that of the ability displayed in their preparation. That we may have good books, all that is required is that we make a large market for them, which is done here to an extent elsewhere unknown.

Forty years since, the question was asked by the "Edinburgh Review," Who reads an American book? Judging from the facts here given, may we not reasonably suppose that the time is fast approaching, when the question will be asked, Who does *not* read American books?

Forty years since, had we asked where were the *homes of American authors*, we should generally have been referred to very humble houses in our cities. Those who now inquire for them will find their answer in the beautiful volume lately published by Messrs. Putnam and Co., the precursor of others destined to show the literary men of this country enjoying residences as agreeable as any that had been occupied by such men in any part of the world; and in almost every case, those homes have been due to the profits of the pen. Less than half a century since, the race of literary men was scarcely known in the country, and yet the amount now paid for literary labor is greater than in Great Britain and France combined, and will probably be, in twenty years more, greater than in all the world beside. With the increase of number, there has been a corresponding increase in the consideration in which they are held; and the respect with which even unknown authors are treated, when compared with the disrespect manifested in England towards such men, will be obvious to all familiar with the management of the journals of that country who read the following in one of our principal periodicals: —

> "The editor of Putnam's Monthly will give to every article forwarded for insertion in the Magazine a careful examination, and, when requested to do so, will return the MS. if not accepted."

Here, the competition is among the publishers to *buy* the products of literary labor, whereas, abroad, the competition is to *sell* them, and therefore is the treatment of our authors, even when unknown, so different. Long may it continue to be so!

Such having been the result of half a century, during which we have had to lay the foundation of the system that has furnished so vast a body of readers, what may not be expected in the next half century, during which the population will increase to a hundred millions, with a power to consume the products of literary labor growing many times faster than the growth of numbers? If this country is properly termed "the paradise of women," may it not be as correctly denominated the paradise of authors, and should they not be content to dwell in it as their predecessors have done? Is it wise in them to seek a change? Their best friends would, I think, unite with me in advising that it is not. Should they succeed in obtaining what they now desire, the day will, as I think, come, when they will be satisfied that their real friends had been those who opposed the confirmation of the treaty now before the Senate.

LETTER VI.

We have commenced the erection of a great literary and scientific edifice. The foundation is already broad, deep, and well laid, but it is seen to increase in breadth, depth, and strength, with every step of increase in height; and the work itself is seen to assume, from year to year, more and more the natural form of a true pyramid. To the height that such a building may be carried, no living man will venture to affix a limit. What is the tendency to durability in a work thus constructed, the pyramids of Egypt and the mountains of the Andes and of the Himalaya may attest. That edifice is the product of decentralization.

Elsewhere, centralization is, as has been shown, producing the opposite effect, narrowing the base, and diminishing the elevation.

Having prospered under decentralization, our authors seek to introduce centralization. Failing to accomplish their object by the ordinary course of legislation, they have had recourse to the executive power; and thus the end to be accomplished, and the means used for its accomplishment, are in strict accordance with each other.

We are invited to grant to the authors and booksellers of England, and their agent or agents here, entire control over a highly important source from which our people have been accustomed to derive their supplies of literary food. Before granting to these persons any power here, it might be well to inquire how they have used their power at home. Doing this, we find that, as is usually the case with those enjoying a monopoly, they have almost uniformly preferred to derive their profits from high prices and small sales, and have thus, in a great degree, deprived their countrymen of the power to purchase books; a consequence of which has been that the reading community has, very generally, been driven to dependence upon circulating libraries, to the injury of both the authors and the public. The extent to which this system of high prices in regard to school-books has been carried, and the danger of intrusting such men with power, are well shown in the fact that the same government which has so recently concluded a copyright treaty with our own, has since entered "into the bookselling trade on its own account," competing "with the private dealer, who has to bear copyright charges." The subjects of this "reactionary step" on the part of a government that so much professes to love free trade, are, as we are told, "the famous school-books of the Irish national system."[1] A new office has been created, "paid for with a public salary," for "the issue of books to the retail dealers;" and the centralization of power over this important portion to the trade is, we are told,[2] defended in the columns of the "Times," as "tending to bring down the price of school-books; for booksellers who possess copyrights, now sell their books at exorbitant prices, and, by underselling them, the commissioners will be able to beat them." Judging from this, it would seem almost necessary, if this treaty is to be ratified, that there should be added some provision authorizing our government to appoint commissioners for the regulation of trade, and for "underselling" those persons who "now sell their books at exorbitant prices." If it be ratified, we shall be only entering on the path of centralization; and it may not be amiss that, before ratification, we should endeavor to determine to what point it will probably carry us in the end.

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[1] *Spectator*, June 4, 1853.

[2] *Ibid.*

The question is often asked, What difference can it make to the people of this country whether they do, or do not, pay to the English author a few cents in return for the pleasure afforded by the perusal of his book? Not very much, certainly, to the wealthy reader; but as every extra cent is important to the poorer one, and tends to limit his power to purchase, it may be well to calculate how many cents would probably be required; and, that we may do so, I give you here a list[1] of the comparative prices of English and American editions of a few of the books that have been published within the last few years: —

	English.	*Amer.*
Brande's Encyclopædia	$15 00	$4 00
Ure's Dictionary of Manufactures	15 00	5 00
Alison's Europe, cheapest edition	25 00	5 00
D'Aubigné's Reformation	11 50	2 25
Bulwer's "My Novel"	10 50	75
Lord Mahon's England	13 00	4 00
Macaulay's England, per vol.	4 50	40
Campbell's Chief Justices	7 50	3 50
" Lord Chancellors	25 50	12 00
Queens of England, 8 vols.	24 00	10 00
Queens of Scotland,	15 00	6 00
Hallam's Middle Ages	7 50	1 75
Arnold's Rome	12 00	3 00
Life of John Foster	6 00	1 25
Layard's Nineveh, complete edition	9 00	1 75
Mrs. Somerville's Physical Sciences	2 50	50
Whewell's Elements of Morality	7 50	1 00
Napier's Peninsular War	12 00	3 25
Thirlwall's Greece, cheapest edition	7 00	3 00
Dick's Practical Astronomer	2 50	50
Jane Eyre	7 50	25

The difference, as we see, between the selling price in London and in New York, of the first book in this list, is no less than eleven dollars, or almost three times as much as the whole price of the American edition. To what is this extraordinary difference to be attributed? To any excess in the cost of paper or printing in London? Certainly not; for paper and printers' labor are both cheaper there than here. Is it, then, to the necessity for compensating the author? Certainly not; for there are in this country fifty persons as fully competent as Mr. Brande for the preparation of such a work, who would willingly do it for a dollar a copy, calculating upon being paid out of a large sale. As the sale of books in England is not large, it might be necessary to allow him two dollars each; but even this would still leave nine dollars to be accounted for. Where does all this go? Part of it to the Chancellor of the Exchequer, part to the "Times," and other newspapers and journals that charge monopoly prices for the privilege of advertising, and the balance to the booksellers who "possess copyrights," and "sell their books at such exorbitant prices" that they have driven the government to turn bookseller, with a view to bring down prices; and these are the very men to whom it is now proposed to grant unlimited control over the sale of all books produced abroad.

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[1] Copied from an article in the New York *Daily Times*.

It will, perhaps, be said that the treaty contains a proviso that the author shall sell his copyright to an American publisher, or shall himself cause his book to be republished here. Such a proviso may be there, but whether it is so, or not, no one knows, for every thing connected with this effort to extend the Executive power is kept as profoundly secret as were the arrangements for the Napoleonic *coup d'état* of the 2d of December. Secrecy and prompt and decisive action are the characteristics of centralized governments — publicity and slow action those of decentralized ones. Admit, however, that such limitations be found in the treaty, by what right are they there? The basis of such a treaty is the absolute right of the author to his book; and if that be admitted, with what show of consistency or of justice can we undertake to dictate to him whether he shall sell or retain it — print it here or abroad? With none, as I think.

Admit, however, that he does print it, does the treaty require that the market shall *always* be supplied? Perhaps it does, but most probably it does not. If it does, does it also provide for the appointment of commissioners to see that the provision is always complied with? If it does not, nothing would seem to be easier than to send out the plates of a large book, print off a small edition, and by thus complying with *the letter* of the law, establishing the copyright for the long term of forty-two years, the moment after which the plates could be returned to the place whence they came, and from that place the consumers could be supplied on condition of paying largely to the Chancellor of the Exchequer, to the "Times," to the profits of Mr. Dickens' advertising sheet, to the author, to the London bookseller, to his agent in America, and the retail dealer here. In cases like this, and they would be numerous, the "few cents" would probably rise to be many dollars; and no way can, I think, be devised to prevent their occurrence, except to take one more step forward in centralization by the appointment of commissioners in various parts of the Union, to see that the market is properly supplied, and that the books offered for sale have been actually printed on this side of the Atlantic.

If the treaty does provide for publication here, it probably allows some time therefor, say one, two, or three months. It is, however, well-known that of very many books the first few weeks' sales constitute so important a part of the whole that were the publisher here deprived of them, the book would never be republished. No one could venture to print until the time had elapsed, and by that time the English publisher would so well have occupied the ground with the foreign edition that publication here would be effectually stopped. Even under the present *ad valorem* system of duties this is being done to a great extent. One, two, or three hundred copies of large works are cheaply furnished, and the market is thus just so far occupied as to forbid the printing of an edition of one or more thousands — to the material injury of paper-makers, printers, and book-binders, and without any corresponding benefit to the foreign author. Under the proposed system this would be done to a great extent.

Admit, however, that the spirit of the law be fully complied with, and let us see its effects. Mr. Dickens sells his book in England for 21*s.* ($5.00); and he will, of course, desire to have for it here as large a price as it will bear. Looking at our prices for those books which are copyright and of which the sale is large, he finds that "Bleak House" contains four times as much as the "Reveries of a Bachelor," which sells for $1.25, and he will be most naturally led to suppose that $3 is a reasonable price. The number of copies of his book that has been supplied to American readers, through newspapers and magazines, is certainly not less than 250,000, and the average cost has not been more than fifty cents, giving for the whole the sum of $125,000

To supply the same number at his price would cost . 750,000

Difference $625,000

Of Mr. Bulwer's last work, the number that has been supplied to American consumers is probably but about two thirds as great, and the difference might not amount to more than $350,000

Mr. Macaulay would not be willing to sell his book more cheaply than that of Mr. Bancroft's is sold, or $2 per volume, and he might ask $2.50. Taking it at the former price, the 125,000 copies that have been sold would cost the consumer . . . $500,000

They have been supplied for . . . 100,000

The difference would be $400,000

Mr. Alison's work would make twelve such volumes as those of Mr. Bancroft, and his price would not be less than $25. The sale has amounted, as I understand, to 25,000 copies, which would give as the cost of the whole $625,000

The price at which they have been sold is $5, giving 125,000

Difference $500,000

Of "Jane Eyre" there have been sold 80,000, and if the price had been similar to that of "Fanny Fern," they would have cost the consumers . $100,000

They have cost about 25,000

Difference $75,000

Total result of a "few cents" on five books . . $1,950,000

Under the system of international copyright, one of two things must be done — either the people *must* be taxed in the whole of this amount for the benefit of the various persons, abroad and at home, who are now to be invested with the monopoly power, or they *must* largely diminish their purchases of literary food.

The quantity of books above given cannot be regarded as more than one twentieth of the total quantity of new ones annually printed. Admit, however, that the total were but ten times greater, and that the differences were but one fourth as great, it would be required that this sum of $1,950,000 should be multiplied two and a half times, and that would give about five millions of dollars; which, added to the sum already obtained, would make seven millions *per annum;* and yet we have arrived only at the commencement of the operation. All these books would require to be reprinted in the next year, and the next, and so on, and for the long period of forty-two years the payment on old books would require to be added to those on new ones, until the sum would become a very startling one. To enable us to ascertain what it must become, let us see what it would now be had this system existed in the past. Every one of Scott's novels would still be copyright, and such would be the case with Byron's poems, and with all other books that have been printed in the last forty-two years, of which the annual sale now amounts to many millions of volumes. To the present price of these let us add the charge of the author, and the monopoly charges of the English and American publishers, and it will be found quite easy to obtain a further sum of five millions, which, added to that already obtained, would make twelve millions *per annum*, or enough to give to one in every four thousand males in the United Kingdom, between the ages of twenty and sixty, a salary far exceeding that of our Secretaries of State. Let this treaty be confirmed, and let the consumption of foreign works continue at its present rate, and payment of this sum *must* be made. We can escape its payment only on condition of foregoing consumption of the books.

The real cause of difficulty is not to be found in "the few cents" required for the author, but in the means required to be adopted for their collection. Everybody that reads "Bleak House," or "Oliver Twist," would gladly pay their author some cents, however unwilling he might be to pay dollars, or pounds. So, too, everybody who uses chloroform would willingly pay something to its discoverer; and every one who believes in and profits by homœopathic medicines would be pleased to contribute "a few cents" for the benefit of Hahnemann, his widow, or his children. A single cent paid by all who travel on steam vessels would make the family of Fulton one of the richest in the world; but how collect these "few cents"? Grant me a monopoly, says the author, and I will appoint an agent, who shall supply other agents with my books, and I will settle with him. Grant us a monopoly, say the representatives of Hahnemann, and we will grant licenses, throughout the Union, to numerous men who shall be authorized to practice homœopathically and collect our taxes. Were this experiment tried, it would be found that millions would be collected, out of which they would receive tens of thousands. Grant us a monopoly, might say the representatives of Fulton, and we will permit no vessels to be built without license from us, and our agents will collect " a few cents " from each passenger, by which we shall be enriched. So they might be ; but for every cent that reached them the community would be taxed dollars in loss of time and comfort, and in extra charges. It is the monopoly privilege, and not the " few cents," that makes the difficulty.

We are, however, advised by the advocates of this treaty that English authors must be " required " to present their books in American " mode and dress," and that regard to their own interests will cause them to be presented " at MODERATE PRICES for general consumption." If, however, they have acted differently at home, why should they pursue this course here ? That they have so acted, we have proof in the fact that the British government has just been forced to turn bookseller, with a view to restrain the owners of copyrights in the exercise of power. Who, again, is to determine what prices are really " moderate " ones ? The authors ? Will Mr. Macaulay consent that his books shall be sold for less than those of Mr. Bancroft or Mr. Prescott ? Assuredly not. The bookseller, then ? Will he not use his power in reference to foreign books precisely as he does now in regard to domestic ones ? If he deems it now expedient to sell a 12mo volume for a dollar or a dollar and a quarter, is it probable that the ratification of this treaty will open his eyes to the fact that it would be better for him to sell Mr. Dickens's works at fifty cents than at three dollars ? Scarcely so, as I think. It is now about thirty years since the " Sketch Book " was printed, and the cheapest edition that has yet been published sells for one dollar and twenty-five cents. " Jane Eyre " contains probably about the same quantity of matter, and sells for twenty-five cents. Of the latter, about 80,000 have been printed, costing the consumers $20,000 ; but if they were to purchase the same quantity of the former, they would pay for them $100,000 ; difference, $80,000. What, now, would become of this large sum ? But little of it would reach the author ; not more, probably, than $10,000. Of the remaining $70,000, some would go to printers, paper-makers, and bookbinders, and the balance would be distributed among the publisher, the trade-sale auctioneers, and the wholesale and retail dealers ; the result being that the public would pay five dollars where the author received one, or perhaps the half of one. We have here the real cause of difficulty. The monopoly of copyright can be preserved only by connecting it with the monopoly of publication. Were it possible to say that whoever chose to publish the "Sketch Book" might do so, on paying to its author "a few cents," the difficulty of this *double monopoly* would be removed; but no author would consent to this, for he could have no certainty that his book might not be printed by unprincipled men, who would issue ten thousand while accounting to him for only a single thousand. To enable him to collect his dues, he *must* have a monopoly of publication.

It may be said that if he appropriate to his use any of the common property of which books are made up, and so misuse his privilege as to impose upon his readers the payment of too heavy a tax, other persons may use the same facts and ideas, and enter into competition with him. In no other case, however, than in those of the owners of patents and copyrights, where the public recognizes the existence of exclusive claim to any portion of the common property, does it permit the party to fix the price at which it may be sold. The right of eminent domain is common property. In virtue of it, the community takes possession of private property for public purposes, and frequently for the making of roads. Not unfrequently it delegates to private companies this power, but it always fixes the rate of charge to be made to persons who use the road. This is done even when general laws are passed authorizing all who please, on compliance with certain forms, to make roads to suit themselves. In such cases, limitation would seem to be unnecessary, as new roads could be made if the tolls on old ones were too high; and yet it is so well understood that the making of roads does carry with it monopoly power, that the rates of charge are always limited, and so limited as not to permit the road-makers to obtain a profit disproportioned to the amount of their investments. In the case of authors there can be no such limitation. They must have monopoly powers, and the law therefore very wisely limits the time within which they may be exercised, as in the other case it limits the price that may be charged. In France, the prices to be paid to dramatic authors are fixed by law, and all who pay may play; and if this could be done in regard to all literary productions, permitting all who paid to print, much of the difficulty relative to copyright would be removed; but this course of operation would be in direct opposition to the views of publishers who advocate this treaty on the ground that it would add to "the security and respectability of the trade." They would *prefer* to pay for the copyright of every foreign book, because it would bring with it monopoly prices and monopoly profits, both of which would need to be paid by the consumers of books. To the paper-maker, printer, and bookbinder, called upon to supply one thousand of a book for *the few*, where before they had supplied ten thousand for *the many*, it would be small consolation to know that they were thereby building up the fortunes of two or three large publishing houses that had obtained a monopoly of the business of republication, and were thus adding to the "security and respectability of the trade." As little would probably be derived from this source by the father of a family who found that he had now to pay five dollars for what before had cost but one, and must therefore endeavor to borrow, where before he had been accustomed to buy, the books required for the amusement and instruction of his children.

Our State of New Jersey levies a transit duty of eight cents per ton on all the merchandise that crosses it. Had the imposition of this tax been accompanied by a law permitting all who chose to make roads, no one would have complained of it, as it would have been little more than a fair tax on the property of the railroad and other companies. Unfortunately, however, the course was different. To the company that collected it was granted a monopoly of the power of transportation, and that power has been so used that while the State received but eight cents the transporters charged three, five, six, and eight dollars for work that should have been done for one. The position in which the authors are necessarily placed is precisely the one in which our State has voluntarily placed itself. To enable them to collect their dues, some person or persons must have a monopoly of publication, and they must and will collect five, ten, and often twenty dollars for every one that reaches the author. The Union would gain largely by paying into our treasury thrice the sum we receive for transit duty, on the simple condition that we abolished the monopoly of transportation; and it would gain far more largely by doing the same with foreign authors. If justice does really call upon us to pay them, our true course would be to do it directly from the Treasury, placing, if necessary, a million of dollars annually at the disposal of the British government, upon the simple condition that it releases us from all claim to the monopoly of publication. Such a release would be cheap, even at two millions; enough to give $4,000 a year to five hundred persons, and that number would certainly include all who can even fancy us under any obligation to them. My own impression is, that no such payment is required by justice, either as regards our own authors or foreign ones. Of the former, all can be and are well paid, *who can produce books that the public are willing to read*, and no law that could be made would secure payment to those who cannot. Their monopoly extends over a smaller number of persons than does the English one; and if the more than thirty millions of people who are subject to the latter cannot support their few writers, the cause of difficulty is to be found at home, and there must the remedy be applied. Nevertheless, by adopting the course suggested, we should certainly free ourselves from any necessity for choosing between the payment of many millions annually to authors and the men who stand between them and the public, on the one hand, and of dispensing largely with the purchase of books, on the other. If the nation must pay, the fewer persons through whose hands the money passes the smaller will be the cost to it, and the greater the gain to authors.

The ratification of the treaty would impose upon us a very large amount of taxation that must inevitably be paid either in money or in abstinence from intellectual nourishment; and our authors should be able to satisfy themselves that the advantage to them would bear some proportion to the loss inflicted upon others. Would it do so? I think not. On the contrary, they would find their condition greatly impaired. All publishers prefer copyright books, because, having a monopoly, they can charge monopoly profits. To obtain a copyright, they constantly pay considerable sums at home for editorship of foreign books; but from the moment that this treaty shall take effect, the necessity for doing this will cease, and thus will our literary men be deprived of one considerable source of profit. Again, literary labor in England is cheap, because of want of demand; but international copyright, by opening to it our vast market, will quicken the demand, and many more books will be produced, the authors of all of which will be competitors with our own, who will then possess no advantages over them. The rates of American authors will then fall precisely as those of the British ones will rise; and this result will be produced as certainly as the water in the upper chamber of a canal lock will fall as that in the lower one is made to rise. On one side of the Atlantic literary labor is well paid, and on the other it is badly paid. International copyright will establish a level; and how much reason our authors have to desire that it shall be established, I leave it for them to determine.

The direct tendency of the system now proposed will be found to be that of diminishing the domestic competition for the production of books, and increasing our dependence on foreigners for the means of amusement and instruction; and yet the confirmation of the treaty is urged on the ground that it will increase the first and diminish the last. If it would have this latter effect, it is singular that the authors of England should be so anxious for the measure as they are. It is not usual for men to seek to diminish the dependence of others on themselves.

These, however, are, as I think, but a small part of the inconveniences to which our authors are now proposing to subject themselves. They have at present a long period allowed them, during which they have an absolute monopoly of the particular forms of words they offer to the reading public; and this monopoly has, in a very few years, become so productive, that authorship offers perhaps larger profits than any other pursuit requiring the same amount of skill and capital. Twenty years hence, when the market shall be greatly increased, it may, and as I think will, become a question whether the monopoly has not been granted for too long a period, and many persons may then be found disposed to unite with Mr. Macaulay in the belief that the disadvantages of long periods preponderate so greatly over their advantages, as to make it proper to retrace in part our steps, limiting the monopoly to twenty-one years, or one half the present period. The inquiry may then come to be made, what is the present value of a monopoly of forty-two years, as compared with what would be paid for one of twenty-one years; and when it is found that, in nine hundred and ninety-nine cases out of a thousand, one will sell for exactly as much as the other, it will perhaps be decided that no reason exists for maintaining the present law, even if no change be now made. Suppose, however, the treaty to be confirmed, establishing the monopoly of foreigners in our market, and that the people who have been accustomed to consume largely of cheap literature now find themselves deprived of it, would not this tend to hasten the period at which the existing law would come under consideration? I cannot but think it would. The common school makes a great demand for school-books, and both make a great demand for newspapers. All of these combine to make a demand for cheap books among an immense and influential portion of our community, that cannot yet afford to pay $1.25 for "Fern Leaves" or for the "Reveries of a Bachelor," although they can well afford 25 cents for a number of "Harper's Magazine," or for "Jane Eyre." Let us now suppose that the novels of Dickens and Bulwer, the books of Miss Aguilar, and those of other authors with which they have been accustomed to supply themselves, should at once be raised to monopoly prices and thus placed beyond their reach, would it not produce inquiry into the cause, and would not the answer be that we had given English authors a monopoly in our market to enable our own to secure a monopoly in that of England? Would not the sufferers next inquire by what process this had been accomplished, seeing that the direct representatives of the people had always been so firmly opposed to it; and would not the answer be that the literary men of the two countries had formed a combination for the purpose of taxing the people of both; and that when they had failed to accomplish their object by means of legislation, they had induced the Executive to interpose and make a law in their favor, in defiance of the well-known will of the House of Representatives? Under such circumstances, would it be extraordinary if we should, within three years from the ratification of the treaty, see the commencement of an agitation for a change in the copyright system? It seems to me that it would not.

The time for the arrival of this agitation would probably be hastened by an extension of the system of centralization that would next be claimed; for the present measure can be regarded as little more than the entering wedge for others. France and England profit enormously by setting the fashions for the world. New patterns and new articles are invented that sell in the first season for treble or quadruple the price at which they are gladly supplied in the second; and it is by aid of the perpetual changes of fashion that foreigners so much control our markets. Recently, our manufacturers have been enabled to reproduce many new articles in very short time, and this has tended greatly to reduce the profits of foreigners, who are of course dissatisfied. Copyrights are now granted in both those countries for new patterns, new forms of clothing, &c. &c., and our next step will be towards the arrangement of a treaty for securing to the inventor of a print, or a new fashion of paletot, the monopoly of its production in our markets; and when the claim for this shall be made, it will be found to stand on precisely the same ground with that now made in behalf of the producers of books, and must be granted. The Frenchman will then have the exclusive right of supplying us with new *mousselines de laine*, and the Englishman with new carpets and new forms of earthenware; and we shall be told that that is the true mode of developing manufacturing and artistic skill among ourselves. How much farther the system may be carried it is difficult to tell, for, when we shall once have established the system of regulating foreign and domestic trade by treaty, the House of Representatives will scarcely be troubled with much discussion of such affairs. Extremes generally meet, and it will be extraordinary, if progress in that direction shall not be followed by progress in the other, until our authors shall, at length, become perfectly satisfied of the accuracy of Mr. Macaulay, when he told the British authors, then claiming an extension of their monopoly to sixty years, that "the wholesome copyright" already existing would "share in the disgrace and danger of the new copyright" they desired to create.[1] They could scarcely do better than study his speech at length. At present, they are ill-advised, and their best friends will be those senators who, like Mr. Macaulay, shall oppose their literary countrymen.

Admitting, however, that the measure proposed should not in any manner endanger existing privileges, what would be the gain to our authors in obtaining the control of the British market, compared with what they would lose from surrendering the control of our own? In the former, the sale of books is certainly not large. Few have been more popular than Tupper's "Proverbial Philosophy," and the price has been, as I learn, only 7*s*., or $1,68. Nevertheless, a gentleman fully informed in regard to it assures me that in fifteen years the average sale has been but a thousand a year, or 15,000 in all.[2] Compare this with the sale of a larger number of the "Reveries of a Bachelor," or of thrice the quantity of "Fern Leaves," at but little lower prices, in the short period of six months, and it will be seen how inferior is the foreign market to the domestic one. Were it otherwise — were the market of Britain equal to our own — could it be that we should so rarely hear of her literary men, dependent on their own exertions, but as being poor and anxious for public employment? Were it otherwise, should we need now to be told of the "utter destitution" of the widow and children of Hogg, so widely known as author of "The Queen's Wake," and as "The Shepherd" of "Blackwood's Magazine?" Assuredly not. Had literary ability been there in the demand in which it now is here, he would have written thrice as much, would have been thrice as well paid, and would have provided abundantly for his widow and his children. Nevertheless, our authors desire to trade off this great market for the small one in which he shone and left his family to starve, and thus to make an exchange similar to that of Glaucus when he gave a suit of golden armor for one of brass.

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[1] *Macaulay's Speeches*, vol. i. p. 403.

[2] The sale here has been 200,000, at an average price of 50 cents. Had it been copyright, the price would have been double, and the "few cents" would have made a difference on this single book of $100,000. The same gentleman to whom I

What, however, are the prospects for the future? Will the British market grow? It would seem not, for death and emigration are diminishing the population, and the people who remain are in a state of constant warfare with their employers, who promised "cheap food" that they might obtain "cheap labor," and now offer low wages in connection with high-priced corn and beef. The people who receive such wages cannot buy books. Hundreds of thousands of persons are now out "on strike," or are "locked out" by the gentlemen who advocate this "cheap labor" system; and the result of all this extraordinary cessation from labor can be none other than the continued growth of poverty, intemperance, and crime. The picture that is presented by that country is one of unceasing discord between *the few* and *the many*, in which the former always triumph; and a careful examination of it cannot result in leading us to expect an increase in the desire to purchase books, or in the ability to pay for them.

Having looked upon that picture, let our authors next look to

am indebted for the above facts informs me that he has paid to the author of a 12mo volume of 200 pages more than $23,000, and could not now purchase the copyright for $10,000; that for another small 12mo volume he has paid $7,000, and expects to pay as much more; that to a third author his payments for the year have been $2500, and are likely to continue at that rate for years to come; and that it would be easy to furnish other and numerous cases of similar kind.

the one now presented by this country, as compared with that which could have been offered forty, thirty, or even twenty years since, and to obtain aid in understanding the facts presented to their view, let them read the following extract from a speech recently delivered by Mr. Cobden: —

> "You cannot point to an instance in America, where the people are more educated than they are here, of total cessation from labor by a whole community or town, given over, as it were, to desolation. When I came through Manchester the other day, I found many of the most influential of the manufacturing capitalists talking very carefully upon a report which had reached them from a gentleman who was selected by the government to go out to America, to report upon the great exhibition in New York. That gentleman was one of the most eminent mechanicians and machine-makers in Manchester, a man known in the scientific world, and appreciated by men of science, from the astronomer royal downwards. He has been over to America, to report upon the progress of manufactures and the state of the mechanical arts in the United States, and he has returned. No report from him to the government has yet been published. But it has oozed out in Manchester that he found in America a degree of intelligence amongst the manufacturing operatives, a state of things in the mechanical arts, which has convinced him that if we are to hold our own, if we are not to fall back in the rear of the race of nations we must educate our people to put them upon a level with the more educated artisans of the United States. We shall all have the opportunity of judging when that report is delivered; but sufficient has already oozed out to excite a great interest, and I might almost say some alarm."

Having done this, let them next ask themselves what have been the causes of the vast change in the relative positions of the two countries. Doing this, will not the answer be, common schools, cheap school-books, cheap newspapers, and cheap literature? Has not each and every one of these aided in making authors, and in creating a market for their products? Having thus laid the foundation of a great edifice, are we likely to stop in the erection of the walls? Having in so brief a period created a great market for literature, is it not certain that it must continue to grow with increased rapidity? Assuredly it is; and yet it is that vast market that our authors desire to barter for one in which Hood was permitted almost to starve, in which Leigh Hunt, Lady Morgan, Miss Mitford, Tennyson, and Sir Francis Head even now submit to the degradation of receiving the public charity to the extent of a hundred pounds a year! The law as it now exists, invites foreign authors to come and live among us, and participate in our advantages. The treaty offers to tax ourselves for the purpose of offering them a bounty upon staying at home and increasing their numbers and their competition with the well-paid literary labor of this country. Were Belgrave Square to make a treaty with Grub Street, providing that each should have a plate at the tables of the other, the population of the latter would probably grow as rapidly as the dinners of the former would decline in quality, and it might be well for our authors to reflect if such might not be the result of the treaty now proposed.

Its confirmation is, as I understand, urged on some senators on the ground that consistency requires it. Being in favor of protection elsewhere, they are told that it would be inconsistent to refuse it here. In reply to this, it might fairly be retorted that nearly all the supporters of international copyright are advocates of the system called, in England, Free Trade; and that it is quite inconsistent in them to advocate protection here. To do this would however be as unnecessary as it would be unphilosophical. Both are perfectly consistent. Protection to the farmer and planter in their efforts to draw the artisan to their side, looks to carrying out the doctrine of decentralization by the annihilation of the monopoly of manufactures established in Britain; and our present copyright system looks to the decentralization of literature by offering to all who shall come and live among us the same perfect protection that we give to our own authors. What is called free trade looks to the maintenance of the foreign monopoly for supplying us with cloth and iron; and international copyright looks to continuing the monopoly which Britain has so long enjoyed of furnishing us with books; and both tend towards centralization.

The rapid advance that has been made in literature and science is the result of the *perfect protection* afforded by decentralization. Every neighborhood collects taxes to be expended for purposes of education, and it is from among those who would not otherwise be educated, and who are thus *protected* in their efforts to obtain instruction, that we derive many of our most thoughtful and intelligent men, and our best authors. The advocates of free trade and international copyright are, to a great extent, disciples in that school in which it is taught that it is an unjust interference with the rights of property to compel the wealthy to contribute to education of the poor. Common schools, and a belief in the duty of protection, are generally found together. Decentralization, by the production of local interests, *protects* the poor printer in his efforts to establish a country newspaper, and thus affords to young writers of the neighborhood the means of coming before the world. Decentralization next raises money for the establishment of colleges in every part of the Union, and thus *protects* the poor but ambitious student in his efforts to obtain higher instruction than can be afforded by the common school. Decentralization next *protects* him in the manufacture of school-books, by creating a large market for the productions of his pen, very much of which is paid for out of the product of taxes the justice of which is denied by those who advocate the British policy. Rising to the dignity of author of books for the perusal of already instructed men and women he finds himself *protected* by an absolute monopoly, having for its object to enable him to provide for himself, his wife, and his children. Of all the people of the Union, none enjoy such perfect protection as those connected with literature; yet many of them oppose protection to all others, while actively engaged in enlarging and extending the monopoly they themselves enjoy. It will scarcely answer for them to charge inconsistency on others.

How far the protection already granted has favored the development of literary tendencies, may be judged after looking to the single case of dramatic writers, who are not protected against representation without their consent; and, as that is *their* mode of publication, it follows that they do not enjoy the advantages granted to other authors. The consequence is, that we make so little progress in that department of literature, while advancing rapidly in every other. Permit me, my dear sir, to suggest that this is a matter worthy of your attention. There would seem to be no good reason for refusing to one class of authors what we grant so freely to all others.

Whether or not I shall have convinced you that international copyright should not be established, I cannot say, but I feel quite safe in believing that you must be convinced it is a question which requires to be publicly and fully discussed before we adopt any action looking in that direction. It is not a case of urgency. If the treaty be not confirmed, the only inconvenience to the authors will be delay, and this should be afforded, were it only to enable them to reflect at leisure upon the probable consequences of the measure in aid of which they have invoked the Executive power. Should they continue to believe their interests likely to be promoted by the adoption of such a measure as that which has been so pertinaciously urged the doors of Congress will always be open to them, and justice, though it may be delayed, will assuredly be done. Let them proceed in a constitutional way, and then, should their desires be gratified, they will have the satisfaction of knowing that their rights have been admitted after full and fair discussion before the people. Should they now succeed in obtaining, in secret session, the confirmation of a treaty negotiated in private, and in haste, they will, I think, "repent at leisure;" but repentance may, and probably will, come too late. The mischief will then have been done.

Having now, my dear sir, to the best of my ability, complied with your request, I remain,

Yours, very respectfully,
HENRY C. CAREY.

HON. JAMES COOPER. *Burlington*, Nov. 28, 1853.

NOTE.

DECEMBER 31, 1867.

Mr. Dickens's tale of "No Thoroughfare" is now being reprinted here in daily and weekly journals, and to such extent as to warrant the belief that the number in the hands of readers of the Union, will speedily exceed a million; obtained, too, at a cost so small as scarcely to admit of calculation. Under a system of International Copyright a similar number would, at the least, have cost $500,000. At 50 cents, however, the sale would not have exceeded 50,000, yielding to author and publisher probably $10,000. Would it be now expedient that, to enable these latter to divide among themselves this small amount, the former should tax themselves in one so greatly larger? Would it be right or proper that they should so do in the hope that American novelists and poets should in like manner be enabled to tax the British people? Outside of the class of gentlemen who live by the use of their pens, there are few who, having examined the question, would, it is believed, be disposed to give to these questions an affirmative reply.

Of all living authors there is none that, in his various capacities of author, editor, and lecturer, is, in both money and fame, so largely paid as Mr. Dickens. That he and others are not doubly so is due to the fact that British policy, from before the days of Adam Smith, has tended uniformly to the division of society, at home and abroad, into two great classes, the very poor becoming daily more widely separatep from the very rich, and daily more and more unfitted for giving support to British authors. That the reader may understand this fully, let him turn to recent British journals and study the accounts there given of "an agricultural gang system," whose horrors, as they tell their readers, "make the British West Indies almost an Arcadia" when compared with many of the home districts. Next, let him study in the "Spectator," now but a fortnight old, the condition of the 630,000 wretched people inhabiting Eastern London; and especially that of the 70,000 mainly dependent on ship and engine building, "too poor to go afield for employment, too poor to emigrate, too poor to do any thing but die," and wholly dependent on a *weekly* allowance *per house*, of from twenty to forty cents and a loaf of bread; that allowance, wretched as it is, to be obtained only at the cost of "standing hours among crowds made brutal by misery and privation." Further, let him read in the same journal its description of the almost universal dishonesty which has resulted from a total repudiation of the idea that international morality could exist; and then determine for himself if, under a different system, Britain might not have made at home a market for her authors that would far more than have compensated for deprivation of that one they now so anxiously covet abroad.

Seeking further evidence in reference to this important question, let him then turn to the "North British Review" for the current month and study the social sores of Britain.

For more than a century she has been sowing the wind, carrying, and in the direct ratio of their connection with her, poverty and slavery into important countries of the earth. She is now only reaping the whirlwind. When her literary men shall have begun to teach her people this — when they shall have said to them that public immorality and private morality cannot co-exist — when they shall have commenced to repudiate the idea that the end sanctifies the means — then, *but not till then*, the time may, perhaps, have come for lecturing the world on the moral side of the question of International Copyright. To this moment, so far as the writer's memory serves him, no one of them has yet entered on the performance of this important work.

MONEY:

A LECTURE

DELIVERED BEFORE THE NEW YORK

Geographical and Statistical Society,

THURSDAY, FEBRUARY, 1857.

BY HENRY C. CAREY.

REPRINTED FROM THE MERCHANTS' MAGAZINE FOR APRIL, 1857.

PHILADELPHIA:
HENRY CAREY BAIRD,
No. 406 WALNUT ST.
1860.

MONEY.

1. The single commodity that is of universal request is money. Go where we may, we meet persons seeking commodities required for the satisfaction of their wants, yet widely differing in their demands. One needs food; a second, clothing; a third, books, newspapers, horses, or ships. Many desire food, yet while one would have fish, another rejects the fish and seeks for meat. Offer clothing to him who sought for ships, and he would prove to have been supplied. Place before the seeker after silks, the finest lot of cattle, and he will not purchase. The woman of fashion rejects the pantaloons; while the porter regards her slipper as wholly worthless. Of all these people, nevertheless, there would not be found even a single one unwilling to give labor, attention, skill, houses, bonds, lands, horses, or whatever else might be within his reach, in exchange for money—provided, only, that the quantity offered were deemed sufficient.

So has it been in every age, and so is it everywhere. Laplander and Patagonian, almost the antipodes of each other, are alike in their thirst after the precious metals. Midianite merchants paid for Joseph with so many pieces of silver. The gold of Macedon bought the services of Demosthenes; and it was thirty pieces or silver that paid for the treason of Judas. African gold enabled Hannibal to cross the Alps; as that of Spanish America has enabled France to subjugate so large a portion of Northern Africa. Sovereigns in the East heap up gold as provision against future accidents; and finance ministers in the West, rejoice when their accounts enable them to exhibit a full supply of the precious metals. When it is otherwise the highest dignitaries are seen paying obsequious court to the Rothschild and the Baring, controllers of the supply of money. So, too, when railroads are to be made, or steamers to be built. Farmers and contractors, landowners, and stockholders, then go, cap in hand, to the Crœsuses of Paris and London, anxious to obtain a hearing, and desiring to propitiate the man of power by making whatsoever sacrifice may seem to be required.

2. Were a hundred ships to arrive in your port to-morrow, a single one of which was freighted with gold, she alone would find a place in the editorial columns of your journals—leaving wholly out of view the remaining ninety-nine, freighted with silks and teas, cloth and sugar. The news, too, would find a similar place in almost all the journals of the

Union, and for the reason, that all their readers, the "bears" excepted, so much rejoice when money comes in, and so much regret when it goes out. Of all the materials of which the earth is composed, there are none so universally acceptable as gold and silver—none in whose movements so large a portion of every community feels an interest.

Why is this the case? Because of their having distinctive qualities that bring them into direct connection with the distinctive qualities of man—facilitating the growth of association, and promoting the development of individuality. They are the *indispensable* instruments of society, or commerce.

That they *are* so, would seem to be admitted by those journalists when giving to their movements so much publicity; and yet, on turning to another column, you would probably find it there asserted, that all this anxiety in regard to money was evidence of ignorance—the condition of man being improved by parting with gold that he can neither eat, drink, nor wear, in exchange for sugar that he *can* eat, and cloth that he *can* wear. Such may be the case, says one reader, but, for my part, I prefer to see money come in, because when it does so, I can borrow at six per cent.; whereas, when it is going out, I have to pay ten, twelve, or twenty. This is doubtless true, says another, but I prefer to see money arrive—being then able to sell my hats and shoes, and to pay the people who make them. It may be evidence of ignorance, says a third, but I always rejoice when money flows inwards, for then I can always sell my labor; whereas, when it flows outwards, I am unemployed, and my wife and children suffer for want of food and clothing. Men's natural instincts look, thus, in one direction, while mock science points in another. The first *should* be right, because they are given of God. The last *may* be wrong—being one among the weak inventions of man. Which is right, we may now inquire.

3. The power of man over matter is limited to effecting changes of place and of form. For the one he needs wagons, horses, ships, and railroads; for the other, spades, plows, mills, furnaces, and steam-engines. Among men, changes of ownership are to be effected, and for that purpose they need some general medium of circulation.

The machinery of exchange in use is, therefore of three kinds—that required for producing changes of place, that applied to effecting changes of form, and that used for effecting changes of ownership; and were we now to examine the course of proceeding with regard to them, we should find it to be the same in all—thus obtaining proof of the universality of the natural laws to whose government man is subject. For the present, however, we must limit ourselves to an examination of the phenomena of the machinery of circulation.

In the early periods of society, man has little to exchange, and there are few exchanges—those which are made being by direct barter—skins being given for knives, clothing, meat, or fish. With the progress of population and wealth, however, all communities have endeavored to facilitate the transfer of property, by the adoption of some common standard with which to compare the value of the commodities to be exchanged—cattle having thus been used among the early Greeks—while slaves and cattle, or "living money," as it was then denominated, were commonly in use among the Anglo-Saxons — wampum among our aborigines — codfish among the people of New England—and tobacco among those of Virginia. With further progress, we find them adopting successively iron, copper, and bronze, preparatory to obtaining silver and gold, to be used as the machinery for effecting exchanges from hand to hand.

For such a purpose, the recommendations of those metals are very great. Being scantily diffused throughout the earth, and requiring, therefore, much labor for their collection, they represent a large amount of value—while being themselves of little bulk, and therefore capable of being readily and securely stored, or transported from place to place. Not being liable to rust or damage, they may be preserved uninjured for any length of time, and their quantity is, therefore, much less liable to variation than is that of wheat or corn, the supply of which is so largely dependent upon the contingencies of the weather. Capable of the most minute subdivision, they can be used for the performance of the smallest as well as the largest exchanges; and we all know well how large an amount of commerce is effected by means of coins of one and of three cents that would have to remain unaffected; were there none in use of less value than those of five, six, and ten cents.

To facilitate their use, the various communities of the world are accustomed to have them cut into small pieces and weighed, after which they are so stamped as to enable every one to discern at once how much gold or silver is offered in exchange for the commodity he has to sell; but the value of the piece is in only a very slight degree due to this process of coinage.* In the early periods of society, all the metals passed in lumps, requiring of course, to be weighed; and such is now the case with much of the gold that passes between America and Europe. Gold dust has also to be weighed, and allowance has to be made for the impurities with which the gold itself is connected; but with this exception, it is of almost precisely the same value with gold passed from the mint and stamped with an eagle, a head of Victoria, or of Nicholas.

4. A proper supply of those metals having been obtained, and this having been divided, weighed, and marked, the farmer, the miller, the clothier, and all other members of society, are now enabled to effect exchanges, even to the exent of purchasing for a single cent their share of the labors of thousands, and tens of thousands, of men employed in making railroads, engines, and cars, and transporting upon them annually hundreds of millions of letters; or, for another cent, their share of the labor of the hundreds, if not thousands, of men who have contributed to the production of a penny newspaper. The mass of small coin is thus a *saving fund* for labor, because it facilitates association and combination—giving utility to billions of millions of minutes that would be wasted, did not a demand exist for them at the moment the power to labor had been produced. Labor being the first price given for everything we value, and

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* The heap of paper in the mill becomes slightly more valuable when it is counted off and tied up in reams, and the heap of cloth is in like manner increased in value when it is measured and tied up in pieces, for the reason that both can be more readily exchanged. Precisely similar to this is the increase of value resulting from the process of coinage.

being the commodity that all can offer in exchange, the progress of communities in wealth and influence is in the direct ratio of the presence or absence of an *instant* demand for the forces, physical and mental, of each and every man in the community—resulting from the existence of a power on the part of each and every other man, to offer something valuable in exchange for it. It is the only commodity that perishes at the instant of production, and that, if not then put to use, is lost forever.

We are all momently producing labor-power, and daily taking in the fuel by whose consumption it is produced; and that fuel is wasted unless its product be on the instant usefully employed. The most delicate fruits or flowers may be kept for hours or days; but the force resulting from the consumption of food cannot be kept, even for a second. That the instant power of profitable consumption may be coincident with the instant production of this universal commodity, there must be incessant combination, followed by incessant division and subdivision, and that in turn followed by an incessant recomposition. This is seen in the case above referred to, where miners, furnace-men, machine-makers, rag-gatherers, carters, bleachers, paper-makers, railroad and canal men, type-makers, compositors, pressmen, authors, editors, publishers, newsboys, and hosts of others, combine their efforts for the production in market of a heap of newspapers that has, at the instant of production, to be divided off into portions suited to the wants of hundreds of thousands of consumers. Each of these latter pays a single cent—then perhaps subdividing it among half a dozen others, so that the cost is perhaps no more than a cent per week; and yet each obtains his share of the labors of all of the persons by whom it had been produced.

Of all the phenomena of society, this process of division, subdivision, composition, and recomposition is the most remarkable; and yet—being a thing of such common occurrence—it scarcely attracts the slightest notice. Were the newspaper above referred to, partitioned off into squares, each representing its portion of the labor of one of the persons who had contributed to the work, it would be found to be resolved into six, eight, or perhaps even ten thousand pieces, of various sizes, small and great—the former representing the men who had mined and smelted the ores of which the types and presses had been composed, and the latter the men and boys by whom the distribution has been made. Numerous as are these little scraps of human effort, they are nevertheless, all combined in every sheet, and every member of the community may—for the trivial sum of fifty cents per annum—enjoy the advantage of the information therein contained; and as fully as he could do, had it been collected for himself alone.

Improvements in the mode of transportation are advantageous to man, but the service they render, when compared with their cost is very small. A ship worth forty or fifty thousand dollars cannot effect exchanges between men at opposite sides of the Atlantic to an extent exceeding five or six thousand tons per annum; whereas, a furnace of similar cost will effect the transmutation of thirty thousand tons' weight of coal, ore, limestone, food, and clothing, into iron. Compared with either of these, however, the commerce effected by the help of fifty thousand dollars' worth of little white pieces representing labor to the extent of three or five cents —labor which by their help is gathered up into a heap, and then divided and subdivided day after day throughout the year—and it will be found that the service rendered to society, in economizing force, by each dollar's worth of money, is greater than is rendered by hundreds, if not thousands, employed in manufactures, or tens of thousands in ships or railroads; and yet there are able writers who tell us that money is so much "dead capital"—being "an important portion of the capital of a country that produces nothing for the country."

"Money, as money," says an eminent economist, "satisfies no want, answers no purpose. * * The difference between a country with money, and a country altogether without it, would," as he thinks, "be only one of convenience, like grinding by water instead of by hand." A ship, as a ship—a road, as a road—a cotton-mill, as a cotton-mill—in like manner, however, "satisfies no want, answers no purpose." They can be neither eaten, drunk, nor worn. All, however, are instruments for facilitating the work of association, and the growth of man in wealth and power is in the direct ratio of the facility of combination with his follow-men. To what extent they do so, when compared with money, we may now inquire. To that end, let us suppose that by some sudden convulsion of nature all the ships of the world were at once annihilated, and remark the effect produced. The ship-owners would loose heavily; the sailors and the porters would have less employment; and the price of wheat would temporarily fall; while that of cloth would, for the moment rise. At the close of a single year, by far the larger portion of the operations of society would be found moving precisely as they had done before—commerce at home having taken the place of that abroad. Cotton and tropical fruits would be less easily obtained in Northern climes, and ice might be more scarce in Southern ones; but, in regard to the chief exchanges of a society like our own, there would be no suspension, even for a single instant. So far, indeed, would it be to the contrary, that in many countries commerce would be far more active than it had been before—the loss of ships producing a demand for the opening of mines, for the construction of furnaces and engines, and for the building of mills, that would make a market for labor, mental and physical, such as had never before been known.

Let us next suppose that the ships had been spared, and that all the gold and silver, coined and not coined, mined and not mined, were annihilated, and study the effect that would be produced. The reader of newspapers—finding himself unable to pay for them in beef or butter, cloth or iron—would be compelled to dispense with his usual supply of intelligence, and the journal would be no longer printed. Omnibuses would cease to run for want of sixpences; and places of amusement would be closed, for want of shillings. Commerce among men would be at an end, except so far as it might be found possible to effect direct exchanges, food being given for labor, or wool for cloth. Such exchanges could, however, be few in number, and men, women, and children would perish by millions, because of inability to obtain food and clothing in exchange for service. Cities whose population now counts by hundreds of thousands would, before the close of a single year, exhibit hundreds of blocks of unoccupied buildings, and the grass would grow in their streets. A substitute might, it is true, be found—men returning to the usages of those primitive times when wheat or iron, tobacco or copper, constituted the medium of exchange; but under such circumstances, society, as at present constituted, could have no existence. A pound of iron would be required to pay for a *Tribune* or a *Herald*, and hundreds of tons of any of the commodities above referred to, would be needed for the purchase of the weekly emission of either. Tons of them would be needed to pay for the food consumed in a single eating-house, or the amusement furnished in a single theatre; and how the wheat, the iron, the corn, or the copper could be fairly divided among the people who had contributed to the production of the journal, the food, or the amusement, would be a problem entirely incapable of solution.

The precious metals are to the social body what atmospheric air is to the physical one. Both supply the machinery of circulation, and the resolution of the physical body into its elements when deprived of the one is not more certain than is that of the social body when deprived of the other. In both these bodies the amount of force is dependent upon the rapidity of circulation. That it may be rapid, there must be a full supply of the machinery by means of which it is to be effected; and yet there are distinguished writers who mourn over the cost of maintaining the currency, as if it were altogether lost, while expiating on the advantages of canals and railroads—not perceiving, apparently, that the money that can be carried in a bag, and that scarcely loses in weight with a service of half a dozen years, effects more exchanges than could be effected by a fleet of ships, many of which would be rotting on the shores on which they had been stranded, at the close of such a period of service, while the remainder would already have lost half of their original value.*

Of all the labor-saving machinery in use, there is none that so much economizes human power, and so much facilitates combination, as that known by the name of money. Wealth, or the power of man to command the services of nature grows with every increase in the facility of combination—this latter growing with the growth of the ability to command the aid of the precious metals. Wealth, then, should increase most rapidly where that ability is most complete.

5. The power of a commodity to command money in exchange is called its PRICE. Prices fluctuate with changes of time and place—wheat being sometimes low, and at others high—and cotton commanding in one country thrice the quantity of silver that would be given for it in another. In one place, much money is required to be given for a little cloth; whereas, in another, much cloth may be obtained for little money. What are the causes of all these differences, and what the circumstances which tend to affect prices generally, we may now inquire.

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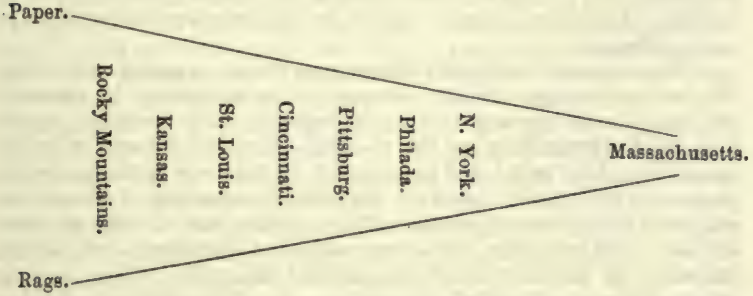
* A three-cent piece, changing hands ten times in a day, effects exchanges in a year to the extent of $100; or, if we take both sides of the exchanges, to that of $200. Two thousand such pieces—costing $60—engaged in circulating bread at home, are capable of maintaining a greater amount of commerce than can be maintained by a ship that has cost $30,000, engaged in effecting exchanges between the producers of cloth in Manchester and tea in China.

A thousand tons of rags at the Rocky Mountains would not exchange for a piece of silver of the smallest conceivable size; whereas, a quire of paper would command a piece so large that it would weigh an ounce, Passing thence eastward, and arriving in the plains of Kansas, their relative values, measured in silver, would be found so much to have changed, that the price of the rags would pay for many reams of the paper. Coming to St. Louis, a further change would be experienced—rags having again risen and paper having again fallen. Such, too, would prove to be the case at every stage of the progress eastward—the raw material steadily gaining, and the finished commodity losing, in price, until, at length, in the heart of Massachusetts, three pounds of rags would be found to command more silver than would be needed for the purchase of a pound of paper. The changes of relation thus observed are exhibited in the following diagram:—



The price of raw materials tends to rise as we approach those places in which wealth most exists—those in which man is most enabled to associate with his fellow-man, for obtaining power to direct the forces of nature to his service. The prices of finished commodities move in a direction exactly opposite—tending always to decline as those of raw materials advance. Both tend thus to approximate—the highest prices of the one being always found in connection with the lowest of the other; and in the strength of the movement in that direction will be found the most conclusive evidence of advancing civilization and growing commerce.

That all the facts are in entire accordance with this view, will be obvious to those who remark that cotton is low in price at the plantation, and high in Manchester or Lowell; whereas, cloth is cheaper in Lowell than it is in Alabama or Louisiana. Corn, in Illinois, is frequently so cheap that a bushel is given in exchange for the silver required to pay for a yard of the coarsest cotton cloth; whereas, at Manchester, it is so dear that it pays for a dozen yards. The English farmer profits doubly—obtaining much cloth for his corn, while increasing the quantity of corn by help of the manure that is furnished by his competitor of the West. The latter loses doubly—giving much corn for little cloth, and adding thereto the manure yielded by the consumption of his corn, to the loss of which is due the unceasing diminution of the powers of his land.

Looking backward in time, we obtain results precisely similar to those obtained in passing from countries in which associated men are found, and in which, consequently, wealth abounds, to those in which they are widely scattered, and in which they are, therefore, weak and poor. At the close of the fifteenth century, eight ecclesiastics, attending the funeral of Anne of Brittany, were royally entertained at a cost of 3.13 francs, of money of our time; while the silk used on that occasion is charged at 25 francs. The same quantity of silk could now be purchased for less than a franc and a half—a sum that would be entirely insufficient to pay for a single dinner. The owner of four quires of paper could then obtain for it more money than was required for the purchase of a hog, and less than two reams were needed for that of a bull. In England, hogs, sheep, and corn were cheap, and were exported, while cloth was dear, and was therefore imported. Coming down to a more recent period, the early portion of the last century, we find that corn and wool were cheap, while cloth and iron were dear; whereas, at the close of the century, the former were becoming dearer from day to day, while the latter were as regularly becoming cheaper.

6. Raw material tends, with the progress of men in wealth and civilization, to rise in price. What, however, *is* raw material? In answer to this question, we may say, that all the products of the earth are, in their turn, finished commodity and raw material. Coal and ore are the finished commodity of the miner, and yet they are only the raw material of which pig-iron is made. The latter is the finished commodity of the smelter, and yet it is but the raw material of the puddler, and of him who rolls the bar. The bar, again, is the raw material of sheet-iron—that, in turn, becoming the raw material of the nail and the spike. These, in time, become the raw material of the house, in the diminished cost of which are found concentrated all the changes that have been observed in the various stages of passage from the rude ore—lying useless in the earth—to the nail and the spike, the hammer and the saw, required for the completion of a modern dwelling.

In the early and barbarous ages of society, land and labor are very low in price, and the richest deposits of coal and ore are worthless. Houses being then obtained with exceeding difficulty, men are forced to depend for shelter against wind and rain upon holes and caves they find existing in the earth. In time, they are enabled to combine their efforts; and with every step in the course of progress, land and labor acquire power to command money in exchange, while the house loses it. As the services of fuel are more readily commanded, pig-iron is more easily obtained. Both, in turn, facilitate the making of bars and sheets, nails and spikes, and all of these facilitate the creation of boats, ships, and houses; but each and every of these improvements tends to increase the prices of the original raw materials—land and labor. At no period in the history of the world has the general price of these latter been so high as in the present one; at none would the same quantity of money have purchased so staunch a boat, so fleet a ship, or so comfortable a house.

The more finished a commodity, the greater is the tendency to a fall of price—all the economies of the earlier processes being accumulated together in the later ones. Houses, thus, profit by all improvements in the making of bricks, in the quarrying of stone, in the conversion of lumber, and in the working of the metals. So, too, is it with articles of clothing —every improvement in the various processes of spinning, weaving, and dyeing, and in the conversion of clothing into garments, being found gathered together in the coat—the more numerous those improvements, the lower being its price, and the higher that of the land and labor to which the wool is due.

With every stage of progress in that direction, there is an increasing tendency towards an equality in the prices of the more and the less finished commodities—and towards an approximation in the character of the books, clothing, furniture, and dwellings of the various portions of society; with constant increase in power to maintain commerce between those countries which do, and those which do not, yield the metals which constitute the raw material of money.

For proof of this, we may look to any of the advancing communities of the world. In the days when the French peasant would have been required to give an ox for a ream and a half of paper, wine was much higher than it is at present—peaches were entirely unattainable—the finer vegetables now in use were utterly unknown—a piece of refined sugar, or a cup of tea or coffee, were luxuries fit for kings alone—and an ell of Dutch linen exchanged for the equivalent of 60 francs—$11 25. Now—the price of meat having wonderfully increased—the farm laborer is better paid; and the consequences are seen in the fact, that with the price of an ox the farmer can purchase better wine than then was drunk by kings—that he can obtain not only paper, but books and newspapers—that he can eat apricots and peaches—that sugar, tea, and coffee have become necessaries of life—and that he can have a supply of linen which would, in earlier times, have almost sufficed for the entire household of a nobleman. Such are the results of an increase in the facility of association and combination among men; and if we now desire to find the instrument to which they are most indebted for the power to combine their efforts, we must look for it in that to which we have given the name of money. Such being the case, it becomes important that we ascertain what are the circumstances under which the power to command the use of that instrument increases, and what are those under which it declines.

7. To acquire dominion over the various natural forces provided for his use, is both the pleasure and the duty of man; and the greater the amount acquired, the higher becomes his labor, and the greater is the tendency to increase of power. With each addition thereto, he finds less resistance to his further efforts; and hence it is, that each successive discovery proves to be but the precursor of newer and greater ones. Franklin's lightning-rod was but the preparation for the telegraph-wires that connect our cities; and they, in turn, are but the precursors of those destined soon to enable us to read, at the breakfast-table, an account of the occurrences of the previous day in Europe, Asia, and Australia. Each successive year thus augments the power of man, and with every new discovery utility is given to forces that now are being wasted. The more they are utilized—the more nature is made to labor in man's service—the less is the quantity of human effort required for the *reproduction* of the com-

modities needed for his comfort, convenience, or enjoyment—the less is the value of all previous accumulations—and the greater is the tendency towards giving to the labor of the present, power over the capital created by the labors of the past.

Utility is the measure of man's power over nature. The greater it is, the larger is the demand for the commodity or thing utilized, and the greater the attractive force exerted upon it, wherever found. Look where we may, we see that every raw material yielded by the earth tends towards those places at which it has the highest utility, and that there it is the value of the finished article is least.* Wheat tends towards the grist-mill, and there it is that flour is cheapest. Cotton and wool tend towards the mills at which they are to be spun and woven, and there it is that the smallest quantity of money will purchase a yard of cloth. On the other hand, it is where cotton has the least utility—on the plantation—that cloth has the highest value. Therefore it is, that we see communities so universally prospering when the spindle and the loom are brought to the neighborhood of the plough and the harrow, to utilize their products.

Precisely similar to this are the facts observed in regard to the precious metals, everywhere on the earth's surface seen to be tending towards those places at which they have the highest utility—those at which men most combine their efforts for utilizing the raw products of the earth—those in which land most rapidly acquires a money value, or price—those, therefore, in which the value of those metals, as compared with land, most rapidly diminishes—and those in which the charge for the use of money is lowest. They tend to leave those places in which their utility is small, and in which combination of action least exists—those, therefore, in which the price of land is low, and the rate of interest high. In the first, there is a daily tendency towards increase in the freedom of man; whereas, in the last, the tendency is in the opposite direction—towards the subjugation of man to the control of those who live by the expenditure of taxes, rent, and interest. Desiring evidence of this, we have but to look around us at the present moment, and see how oppressively rent and interest operate upon the poorer portions of society—how numerous are the applications for the smallest office—and, above all, how great has been the increase of pauperism in the past three years, in which our exports of specie have been so large.

Looking to Mexico or Peru, to California or Siberia, we see but little of that combination of action required for giving utility to their metallic products—little value in land—and interest higher than in any other organized communities in the world. Following those products, we see them passing gradually through the West, towards the cities of the Atlantic, or through Russia to St. Petersburg—every step of their progress being towards those States or countries in which they have the greatest utility—those in which combination of action most exists, and in which, therefore, man is daily acquiring power over the various forces of nature, and compelling her more and more to aid him in his efforts for the attainment of further power.

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* Value is the measure of the obstacle interposed by nature to the gratification of the wishes of man.

8. For more than a century, Great Britain constituted the reservoir into which was discharged the major part of the gold and silver produced throughout the world. There it was, that the artisan and the farmer were most nearly brought together—the power of association most existed—the ultimate raw materials of commodities, land and labor, were most utilized, and the consumption in the arts, of gold and silver, was the greatest.* Now the state of things is widely different. From year to year, the land of the United Kingdom has become more consolidated—the little proprietor having been superseded by the great middleman farmer, and the mere day-laborer; and the result is seen in the fact, that Great Britain has passed from being a place at which commodities are produced, to be given in exchange for the produce of other lands—to being a mere place of exchange for the people of those lands. With each successive year, there is a decline in the proportion borne to the whole population by the producing classes, and an increase in that borne by the non-producing ones, with corresponding diminution in the power to retain the products of the mines of Peru and Mexico.

The gold of California does not, as we know, to any material extent, remain among ourselves. Touching our Atlantic coast, only to be transferred to steamers that bear it off to Great Britain, it there meets the product of the Australian mines—the two combined amounting to more than a hundred millions of dollars a year. Both come there, however, merely in transit—being destined, ultimately, to the payment of the people of Continental Europe, who have supplied raw products that have been converted and exported, or finished ones that have been consumed. Much of it goes necessarily to France, whose exports have grown, in the short period of twenty years, from 500,000,000 francs, to 1,400,000,000, and have steadily maintained their commercial character. Manufactures are there the *handmaids* of agriculture; whereas in the United Kingdom, they are, with each successive year, becoming more and more the *substitutes* for it. To a small quantity of cotton, silk, and other raw products of distant lands, France adds a large amount of the produce of her farms—thus entitling herself not only to receive, but to retain for her own uses and purposes, nearly all the commodities that come to her from abroad. Her position is that of the rich and enlightened farmer, who sells his products in their highest form—thus qualifying himself for applying to the support of his family, the education of his children, and the improvement of his land, *the whole of the commodities received in exchange.* That of Britain is the position of the trader, who passes through his hands a large amount of property, of which he is entitled to retain the *amount of his commission, and nothing more.* The one has immense, and wonderfully growing commerce, while the other performs a vast amount of trade.

9. The precious metals are steadily flowing to the north and east of Europe, and among the largest of their recipients we find Northern Ger-

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* Thirty years since, the annual consumption of the precious metals in Great Britain was estimated at £2,500,000, or $12,000,000.

many, now so rapidly advancing in wealth, power, and civilization. Denmark and Sweden, Austria and Belgium, following in the lead of France, in the maintenance of the policy of Colbert, are moving in the same direction; and the consequences are seen in a growing habit of association, attended with daily augmentation in the amount of production, and in the facility of accumulation, as exhibited in the building of mills, the opening of mines, the construction of roads, and the constantly augmenting power to command the services of the precious metals.

The causes of these phenomena are readily explained. Raw materials of every kind tend towards those places at which employments are most diversified, because there it is that the products of the farm command the largest quantity of money. Gold and silver follow in the train of raw materials; and for the reason, that where the farmer and the artisan are most enabled to combine, finished commodities are always cheapest. When Germany exported corn and wool, they were cheap, and she was required to export gold to aid in paying for the cloth and paper she imported; because they were very dear. Now she imports both wool and rags; her farmers obtain high prices for their products, and are enriched; and the gold comes to her, because cloth and paper are so cheap that she sends them to the most distant quarters of the world. So is it with France, Belgium, Sweden, and Denmark—all of which are large importers of raw materials, and of gold. In all those countries, raw materials rise in price; *and the greater the tendency to rise, the more rapidly must the current of the precious metals set in that direction.* The country that desires to increase its supplies of gold, and thus lower the price of money, is, therefore, required to pursue that course of policy tending most to raise the prices of raw material, and lower those of manufactures. This, however, is directly the opposite of the policy advocated by the British school, which seeks, in the cheapening of all the raw material of manufactures, the means of advancing civilization.

10. The reverse of what is above described is found in Ireland, Turkey, and Portugal, so long the close allies of England—and so uniformly following in the course of policy now advocated by her economists. From each and all of them, there has been an unceasing drain of money—the disappearance of the precious metals having been followed by decline in the productiveness of agriculture—in the prices of commodities, in the value of land, and in the power of man.

France in the decade prior to the Eden treaty in 1786, was advancing in both manufactures and commerce with great rapidity, as is shown conclusively in M. de Tocqueville's recent work.* Raw materials and the pre-

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* "Simultaneous with these changes in the minds of governed and governors, public prosperity began to develop with unexampled strides. This is shown by all sorts of evidence. Population increased rapidly; wealth more rapidly still. The American war did not check the movement—it completed the embarrassment of the State, but did not impede private enterprise; individuals grew more industrious, more inventive, richer than ever.

"An official of the time states that in 1774 'industrial progress had been so rapid that the amount of taxable articles had largely increased.' On comparing the various contracts made between the State and the companies to which the cious metals flowing in, and manufactured goods flowing out, the result was seen in a daily increasing tendency towards the division of land, the improvement of agriculture, and the increase of human freedom. From the date of that treaty, however, all was changed. Manufactures flowed in, and gold flowed out, with daily decline in the power of association, in the wages of labor, and in the value of land. Universal distress producing a demand for change of policy, its effect was seen in the calling together of the States-General, whose appearance on the stage for the first time in a hundred and eighty years, was so soon to be followed by a revolution, that sent to the guillotine the most of those by whom that treaty had been made.

Looking to Spain, we see her poverty to have steadily increased from the hour, when, by expelling her manufacturing population, she rendered herself dependent upon the workshops of other countries. Mistress of Mexico and Peru, she acted merely as the conduit through which their wealth passed to the advancing countries of the world, as is now the case with Great Britain and the United States.

Turning next to Mexico, we see her to have been declining steadily in power from the day on which she obtained her independence; and for the reason, that from that date her manufactures began to disappear. From year to year she becomes more and more dependent upon the trader, and more and more compelled to export her commodities in their rudest state; as a necessary consequence of which, her power to retain the produce of her mines is constantly diminishing.

11. The facts thus far presented, may now be embodied in the following propositions:—

Raw materials tend *towards* those countries in which employments are most diversified—in which the power of association most exists—and in which land and labor tend most to rise in price.

The precious metals tend towards the same countries; and for the reason, that there it is that finished commodities are least in price.

The greater the attractive force exerted upon those raw materials and this gold, the more does agriculture tend to become a science—the larger are the returns to agricultural labor—the more steady and regular becomes the motion of society—the more rapid is the development of the powers of the land, and of the men by whom it is occupied—the larger is the commerce—and the greater the progress towards happiness, wealth, and power.

Raw materials tend *from* those countries in which employments are least

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taxes were farmed out, at different periods during the reign of Louis XVI., one perceives that the yield was increasing with astonishing rapidity. The lease of 1786 yielded fourteen millions more than that of 1780. Necker, in his report of 1781, estimated that 'the produce of taxes on articles of consumption increased at the rate of two millions a year.

"Arthur Young states that in 1788 the commerce of Bordeaux was greater than that of Liverpool, and adds that 'of late years maritime trade has made more progress in France than in England; the whole trade of France has doubled in the last twenty years.'"—DE TOCQUEVILLE, *The Old Regime and the Revolution*, p. 210.

diversified—those in which the power of combination least exists—and those consequently, in which land and labor are least in price.

The precious metals, too, tend to leave those countries, because there it is that finished commodities are dearest.

The greater the expulsive force that is thus exhibited, the slower is the circulation of society, and the smaller is the amount of commerce—the more rapid is the exhaustion of the soil—the lower is the condition of agriculture—the less is the return to the labors of the field—the lower are the prices of the products of the farm—the less is the regularity of the motion of society—the greater is the power of the trader—and the stronger is the tendency towards pauperism and crime among the people, and towards weakness in the government.

The portions of the world *from* which the precious metals flow, in which agriculture declines, and men become less free, are those which follow in the lead of England—preferring the supremacy of trade to the extension of commerce—Ireland, Turkey, Portugal, India, Carolina, and other exclusively agricultural countries.

The portions *towards* which they flow are those which follow in the lead of France—preferring the extension of commerce to the enlargement of the trader's power. Germany and Denmark, Sweden and New England, are in this position. In all of these agriculture becomes more and more a science, as employments become diversified—the returns to agricultural labor increasing as the prices of raw materials tend to rise.

In all the countries *to* which they flow, the prices of raw materials and those of finished commodities tend to approximate—the farmer giving a steadily diminishing quantity of wool and corn in return for a constant quantity of cloth and iron.

In those *from* which they flow, those prices become from year to year more widely separated—the farmer and the planter giving a steadily increasing quantity of wool and corn for a diminishing quantity of iron, or of cloth.

Such are the facts presented by the history of the outer world, of both the present and the past. How far they are in accordance with our own experience we may now inquire.

12. The mining communities of the world having raw products to sell, and needing to purchase finished commodities, the gold and silver they produce flow naturally to those countries that have such commodities to sell; and not towards those which have only raw materials to offer in exchange. India has cotton to sell; Ireland and Turkey have grain: Brazil has sugar and coffee; while Alabama has only cotton; for which reason it is that money is always scarce in those countries, and the rate of interest high. Looking homeward, we find that whenever our policy has tended towards the production of combination of action between the farmer and the artisan, we have been importers of the precious metals, and that then land and labor have risen in price. The contrary effect has invariably been produced, whenever our policy has tended to the diminution of association, and the production of a necessity for looking abroad for making all our exchanges of food and wool for cloth and iron—limited, however, for the period immediately following the change, by the existence of a credit that

has enabled us to run in debt to Europe, and thus for a time to arrest the export of the precious metals. What was the precise course of the trade in those metals during the thirty years preceding the discovery of the California gold deposits, is shown by the following figures :—

	Excess exports.	Excess imports.
1821—1825	$12,500,000	......
1826—1829	......	$4,000,000
1830—1834	......	20,000,000
1835—1838	......	34,000,000
1839—1842	9,000,000	......
1843—1847	......	39,000.000
1848—1850	14,000,000	......

In the closing years of the free trade system of 1817, the average excess of specie export was about $2,500,000 a year. To this adding a similar amount, only, for the annual consumption, we obtain an absolute diminution of five-and-twenty millions, while the population had increased about ten per cent. Under such circumstances, it is no matter of surprise that those years are conspicuous among the most calamitous ones in our history. At Pittsburg, flour then sold at $1 25 per barrel; wheat, throughout Ohio, would command but 20 cents a bushel; while a ton of bar iron required little short of eighty barrels of flour to pay for it. Such was the state of affairs that produced the tariff of 1824—a very imperfect measure of protection, but one that, imperfect as it was, changed the course of the current, and caused a *net* import, in the four years that followed, of $4,000,000 of the precious metals. In 1828, there was enacted the first tariff tending directly to the promotion of association throughout the country; and its effects exhibit themselves in an excess import of the precious metals—averaging $4,000,000 a year—notwithstanding the discharge, in that period, of the whole of the national debt that had been held in Europe, amounting to many millions. Putting together the discharge of debt and the import of coin, the balance of trade in that period must have been in our favor to the extent of nearly $50,000,000; or an average of about $10,000,000 a year. As a consequence, prosperity existed to an extent never before known—the power to purchase foreign commodities growing with such rapidity as to render it necessary greatly to enlarge the free list; and then it was that coffee, tea, and many other raw commodities, were emancipated from the payment of any impost. Thus did efficient protection lead to a freedom of commerce, abroad and at home, such as had never before existed.

The first few years of the compromise tariff of 1833 profited largely by the prosperity caused by the act of 1828, and the reductions under it were then so small that its operation was but slightly felt. In those years, too, there was contracted a considerable foreign debt—stopping the export of specie, and producing an excess import averaging more than $8,000,000 a year. Prosperity *seemed* to exist, but it was of the same description that has marked the last few years, during which the value of all property has depended entirely upon the power to contract debts abroad—thus placing the nation more completely under the control of its distant creditors.

In the succeeding years, the compromise became more fully operative.* Furnaces and factories were closed, with constantly increasing necessity for looking abroad for the performance of all exchanges, and corresponding necessity for remitting money to pay the balance due on the purchases of previous years. Nevertheless, the annual specie export averaged little more than $2,000,000; but if to this be added a consumption of only $3,000,000 a year, we have a reduction of $20,000,000; the consequences of which were seen in almost total suspension of commerce. The whole country was in a state of ruin. Laborers were everywhere out of employment, and being still consumers, while producing nothing, the power of accumulation ceased almost to exist. Debtors being everywhere at the mercy of creditors, sales of real estate were chiefly accomplished by help of sheriffs, whose employments were then more productive than they had been from the date of the constitution.

The change in the value of labor, consequent upon the stoppage of the circulation that followed this trivial export of the precious metals, cannot be placed at less than $500,000,000 a year. Wages were low, even where employment could be obtained; but a large portion of the labor-power of the country was totally wasted, and the demand for mental power diminished even more rapidly than that for physical exertion. In the prices of land, houses, machinery of all kinds, and other similar property, the reduction counted by thousands of millions of dollars; and yet, the difference between the two periods ending in 1833 and 1842, in regard to the monetary movement, was only that between an excess import of $5,000,000, and an excess export of $2,500,000, or a total of $7,500,000 a year. No one who studies these facts, can fail to be struck with the wonderful power over the fortunes and conditions of men exerted by the metals provided by the Creator for furthering the work of association among mankind. With the small excess of import in the first period, there was a steady tendency towards equality of condition among the poor and the rich, the debtor and the creditor; whereas, with the slight excess of export in the second one, there was a daily increasing tendency towards inequality—the poor laborer and the debtor, passing steadily more under the control of the rich employer, and the wealthy creditor. Of all the machinery furnished for the use of man, there is none so equalizing in its tendency as that known by the name of money; and yet economists would have the world believe that the agreeable feeling which everywhere attends a knowledge that it is flowing in, is evidence of ignorance—any reference to the question of the favorable or unfavorable balance of trade being beneath the dignity of men who feel that they are following in the footsteps of Hume and Smith. It would, however, be as difficult to find a single prosperous country that is not, from year to year, making itself *a better customer to the gold-producing countries*, as it would be to find one that is not becoming a better customer to those which produce silk, or cotton. To an improving customer, there must be in its favor a steadily increasing balance of trade, to be settled by payment in the commodity for whose production the country is fitted, whether that be cloth, or tobacco, silver or gold.

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* One-tenth of the excess over 20 per cent. was reduced in December, 1833, another tenth in 1835, a third in 1837, and a fourth in 1839; the remaining excess of duties being then equally divided into two parts, to be reduced in 1841 and 1842.

The condition of the nation at the date of the passage of the act of 1842, was humiliating in the extreme. The treasury—unable to obtain at home the means required for administering the government, even on the most economical scale—had failed in all its efforts to negotiate a loan at six per cent., even in the same foreign markets in which it had but recently paid off, at par, a debt bearing an interest of only three per cent. Many of the States, and some even of the oldest of them, had been forced to suspend the payment of interest on their debts. The banks, to a great extent, were in a state of suspension, and those which professed to redeem their notes, found their business greatly restricted by the increasing demand for coin to go abroad. The use of either gold or silver as currency had almost altogether ceased. The Federal government, but recently so rich, was driven to the use of inconvertible paper money, in all its transactions with the people. Of the merchants, a large portion had become bankrupt. Factories and furnaces being closed, hundreds of thousands of persons were totally unemployed. Commerce had scarcely an existence—those who could not sell their own labor, being unable to purchase of others. Nevertheless, deep as was the abyss into which the nation had been plunged, so magical was the effect of the adoption of a system that had turned the balance of trade in its favor, that scarcely had the act of August, 1842, become a law, when the government found that it could have all its wants supplied at home. Mills, factories, and furnaces, long closed, were again opened; labor came again into demand; and, before the close of its third year, prosperity almost universally reigned. States recommenced the payment of interest on their debts. Railroads and canals again paid dividends. Real estate had doubled in value, and mortgages had been everywhere lightened; and yet the total net import of specie in the first four of the years, was but $17,000,000, or $4,250,000 per annum! In the last year occurred the Irish famine, creating a great demand for food; the consequence of which was, an import of no less than $22,000,000 of gold—making a total import, in five years, of $39,000,000. Deducting from this but $4,000,000 per annum for consumption, it leaves an annual increase, for the purposes of circulation, of less than $5,000,000; and yet the difference in the prices of labor and land in 1847, as compared with 1842, would be lowly estimated, if placed at only $2,000,000,000.

With 1847, however, there came another change of policy—the nation being again called upon to try the system under which it had been prostrated in 1840–'42. The doctrines of Hume and Smith, in reference to the balance of trade, were again adopted as those by which a government was to be directed in its movements. Protection being then repudiated, the consequences were speedily seen in the fact, that within three years, factories and furnaces were again closed, labor was seeking demand, and gold was flowing out even more rapidly than it had come in under the tariff of 1842. The excess export of those three years amounted to $14,000,000; and if to this be added $15,000,000 for consumption, it follows that the reduction was equal to the total increase under the previous system. Circulation was everywhere being suspended, and a crisis was close at hand, when, fortunately for the advocates of the existing system, the gold deposits of California were brought to light.

In the year 1850–'51, the quantity received from that source was more than $40,000,000, of which nearly $20,000,000 were retained at home. The consequence was speedily seen in a reduction of the rate of interest, and a re-establishment of commerce. In the following year, $37,000,000 were exported, leaving, perhaps, $8,000,000 or $10,000,000, which, added to that retained in 1851, made an addition to the currency of probably $30,000,000—producing universal life and motion. In 1852–'53, there was still a slight increase, but in the two years following, the export was $97,000,000; and if to this we add a domestic consumption that probably was but little short of $20,000,000, we obtain a total amount withdrawn exceeding the receipt from all the world. Looking now to the Union east of the Rocky Mountains, it may well be doubted if the *effective* addition to the stock of the precious metals remaining in the form of coin much exceeds a single dollar per head of the population.* It may amount to $30,000,000 or $35,000,000; and small as is that sum, it would have produced a great effect in promoting rapidity of circulation, had it not been that, simultaneously therewith, the indebtedness to foreign countries had so much increased, as to require, for the payment of interest alone, an annual remittance equal to the whole export of food to all the world—producing doubt and general distrust—causing an extensive hoarding of money, and palsying the movements of commerce. As a consequence of this it is, that the country now presents the most extraordinary spectacle in the world—that of a community owning one of the great sources of supply for money, in which the price paid for its use is generally thrice, and, in many parts of the country, six or eight times as great as in those countries of Europe which find their gold mines in their furnaces, their rolling-mills, and their cotton and woollen factories.

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* In the last Treasury Report (1856) the addition to the stock of the precious metals in the last few years is estimated at more than $100,000,000, and possibly even $150,000,000. Small allowance is there, however, made for a consumption in the arts, that must, in the last five years, have absorbed at least fifty of those millions. None is made for the fact that $20,000,000 are always kept in the Treasury vaults, and, while there, are as useless as would be a similar weight of pebblestones. Much advantage is claimed to have resulted from increasing the difficulty of transferring the property in money, by compelling individuals to carry gold in their pockets, when, if the law permitted, they would prefer to carry bank-notes. No allowance is made for a land system that compels millions of dollars in gold to be transported from one part of the country to another, at great cost and risk, when drafts would be used, were it not that it is the object of the Federal government, as far as possible, to destroy the utility of the precious metals, by promoting their transportation, and thus preventing their circulation. From the day when free trade was inaugurated as the policy of the dominant party of the country, there has been almost an unceasing war against credit; and the result is seen in the fact that it requires $200,000,000 of gold and silver to carry on a smaller amount of commerce than would, under a sound system, be transacted by help of less than $100,000,000, and with a steadiness and regularity that now are quite unknown.

Our policy has, with slight exceptions, looked steadily towards keeping down the prices of the rude products of the earth, and thus facilitating their export; and the precious metals always follow in their train. The result is seen in the general exhaustion of the soil—in the fact that agriculture makes but little progress—in the diminished yield of the land, and in the steady decline of the price of tobacco, flour, cotton and other rude products of the earth. Taking the averages of the several decades since 1810, the export prices of flour have been as follows :—

For that ending in 1820	$10 37
" " 1830	6 20
" " 1840	6 78
" " 1850	5 27
The 3 years ending 1853	4 67
For 1853	4 24

—this last being probably the lowest price at which it has been sold since the arrival of Hendrick Hudson in your harbor. The prices above given, I pray you to recollect, are those furnished in the recent Treasury Reports. Precisely similar to this have been the facts transpiring in relation to cotton and tobacco; of the former of which, the planter was giving, in 1852, little short of five pounds for the same quantity of gold and silver that seven-and-thirty years before he obtained for one.

The power to command the services of the precious metals grows with the growth of the power of association and combination. The policy of the Union is hostile to association, and hence it is that our products fall in price, while all the metals remain so dear. That is the course towards barbarism. You will probably be disposed to say, that prices are now very high, and that if such prices are to insure prosperity, it is certainly within our reach. Such would be the case, were it not for the causes to which they are due—great deficiency in the quantity produced. Twenty years since, we had similar prices, and for the same reason—all the energies of the country having then been given, as is now the case, to the creation of food and cotton-producing machinery, and not to the production of either food or cotton. Those high prices were, however, only the precursors of the ruinously low ones of 1841 and '42.

The quantity of food now produced is far less, per head, than it was four years since; while the average crop of cotton, for the last four years, has been less than that of 1851–'52. Desiring to know the cause, you need only to look to the facts, that the rural population of your own State is gradually diminishing; and that the young Ohio has now become the great emigrating State of the Union. The men who are now being driven from farms in the East, to found colonies in the West, are consumers, and not producers; but the day approaches, when the effects of their labor will become visible in such a reduction of prices as has never before been known. Any one who, in 1835, had predicted the universal ruin of farms, that followed three years later, would have been listened to with an incredulity equal to that which you, probably, hear one say that the occurrences of 1841–'42 are yet to be repeated. In the last ten years, we have added to our numbers almost as many millions; and yet we have scarcely more persons engaged in the four chief branches of manufacturing than we had in 1847–'48. Nearly the whole increase has been driven to the creation of farms and plantations, that will yet overwhelm the market with food and cotton. The whole policy of the country is adverse to the agricultural interest, for it tends toward cheapening raw products, and thus promoting the exports of the precious metals.

13. "In every kingdom into which money begins to flow in greater abundance than formerly, everything," says Mr. Hume, in his well-known Essay on Money, "takes a new face: labor and industry gain life; the merchant becomes more enterprising, the manufacturer more diligent and skilful; and even the farmer follows his plough with more alacrity and attention."

That this is so, is well known to all. Why should it be so? Because the circulation of society then increases, and all power—whether in the physical or social world—results from motion. When money is flowing in, every man is enabled to find a purchaser for his labor, and to become a purchaser of that of others. Therefore it is, that commerce so steadily increases in those countries in which the Californian and Australian products now so rapidly accumulate—France, Germany, and Northern and Eastern Europe generally. When, on the contrary, money flows out, the circulation diminishes, and labor is everywhere wasted. That labor-power is capital, the result of the consumption of other capital in the form of food; and all the difference between an advancing and a declining state of society, is found in the fact, that in the one, there is a constant increase in the rapidity with which the demand for muscular or mental power follows its production, while in the other, there is a daily diminution therein. The more instantly the demand follows the supply, the more is the force economized, and the larger is the power of accumulation. The longer the interval between production and consumption, the greater is the waste of force, and the less is the power of accumulation.

Of all the machinery in use among men, there is none that exercises upon their actions so great an influence as that which gathers up and divides and subdivides, and then gathers up again, to be on the instant divided and subdivided again, the minutes and quarter-hours of a community. It is the machinery of association, and the *indispensable* machinery of progress; and therefore it is, that we see in all new or poor communities so constant an effort to obtain something to be used in place of it; as is shown in various countries in which an irredeemable paper constitutes the only medium of exchange. Throughout the West, a currency of some description is felt to be among the prime necessities of life. So well is this want understood, that many Eastern banks supply notes expressly for Western circulation, and the people there pass them from hand to hand, because any money is better than none, and good they cannot get, for the reason that metallic money always flows *from* the place where the charge for its use is high, *to* that at which it is low. The rate of interest in the West is now enormous, but every day witnesses the export of gold to the East, where it is somewhat less; and yet even your high interest—ranging, as it has done for years, between ten and thirty per cent. per annum—cannot prevent it from going to France and Germany, where it commands but five or six per cent. Money thus obeys the same law as water

—*seeking always the lowest level.* The latter falls upon the hills, but from the moment of its fall it never stops until it reaches the ocean; nor does the gold of California, or the silver of Mexico, stop until it reaches that point at which money most abounds, and at which, for that reason, the price paid for its use is least.

Of all the commodities in use by man, the precious metals are those that render the largest amount of service in proportion to their cost—and those whose movements furnish the most perfect test of the soundness or unsoundness of its commercial system. They go *from* those countries whose people are engaged in exhausting the soil, *to* those in which they renovate and improve it. They go *from* those at which the price of raw products, and the land itself, is low—*from* those at which money is scarce and interest is high. The country that desires to attract the precious metals, and to lower the charge for the use of money, has, then, only to adopt the measures required for raising the price of land and labor. In all countries, the value of land grows with that development of the human faculties which results from diversity in the modes of employment, and from the growth of the power of combination. That power grows in France, and in all the countries of Northern Europe; and for the reason, as has been shown, that all those countries have adopted the course of policy recommended by Colbert, and carried out by France. It declines in Great Britain, in Ireland, in Portugal, in Turkey, in the Eastern and Western Indies, and in all countries that follow the teachings of the British school. It has grown among ourselves in every period of protection; and then money has flowed in, and land and labor have risen in value. It has diminished in every period in which trade has obtained the mastery over commerce. Land and labor have always declined in value as soon as our people had eaten, drunk, and worn foreign merchandise to the extent of hundreds of millions of dollars, for which they had not paid; and had thus destroyed their credit with other communities of the world.

14. We are told, however, by the same writer—Mr. Hume—and in that he is followed by the modern economists—that the only effect of an increase of the supply of gold and silver is that of "heightening the price of commodities, and obliging every one to pay more of those little yellow or white pieces for everything he purchases." Were such really the case, it would be little short of a miracle that we should see money always, century after century, passing in the same direction—to the countries that are rich from those that are poor; so poor, too, that they cannot afford to keep as much of it as is absolutely necessary for their own exchanges. The gold of Siberia leaves a land in which so little circulates that labor and its products are at the lowest prices, to find its way to St. Petersburg, where it will purchase less labor and less of either wheat or hemp than it would do at home; and that of Carolina and Virginia goes steadily and regularly, year after year, to the countries to which the people of those States send their cotton and their wheat, because of the higher prices at which they sell. The silver of Mexico, and its cochineal, travel together to the same market; and the gold of Australia passes to Britain by the ship which carries the wool yielded by its flocks.

Every addition to the stock of money, as we are assured by the ingenious men of modern days engaged in compiling treasury tables and finance reports, renders a country a good place to sell in, but a bad one in which to purchase. To what countries, however, is it that men have most resorted when they desired to purchase? Have they not, until recently, gone, almost exclusively, to Britain? It has been so, assuredly; and for the reason, that there it has been that finished commodities were cheaply furnished. Where have they gone to sell? Has it not been to Britain? It certainly has been so; and for the reason, that there it was that gold, cotton, wheat, and all other of the rude products of the earth, were dear. Where do they now most tend to go when they desire to purchase cloths or silks? Is it not to France and Germany? So it certainly is; and for the reason, that there it is that raw materials are highest, and finished ones are cheapest. Gold follows in the train of raw materials generally—these last being found, invariably, travelling to those places at which the rude products of the earth command the highest price, while cloth, iron, and manufactures of iron and other metals, may be purchased at the lowest; and the greater the flow in that direction, the greater is the tendency to further enhancing the prices of the former, and reducing those of the latter. From this it would seem that increase in the supply and circulation of money, so far from having the effect of causing men to give two pieces for an article that could before have been had for one, has, on the contrary, that of enabling them to *obtain for one piece the commodity that before had cost them two;* and that such is the fact, can readily be shown.

It is within the knowledge of all, that manufactures have greatly fallen in price—the quantity of cotton cloth that can now be obtained for a single dollar being as great as would formerly have cost five—*and that the reduction has taken place in the very countries into which the gold of the world has steadily flowed, and into which it is now flowing*—whence it would appear quite certain that finished commodities tend to fall as money flows in, while land and labor—the ultimate raw materials of all—tend to rise in price. The gold of California and Australia now goes to Germany, France, Belgium, and Great Britain, where money abounds and interest is low, because there manufactured commodities are cheap and money is valuable, *when measured by them.* It does not go to Spain, Italy, Portugal, or Turkey, because there manufactured goods are dear, and land and labor are cheap. It does not stop in Mississippi, Arkansas, or Texas, because there, too, manufactures are dear, and land and labor are cheap; but there it will stop at some future period, when it shall have been ascertained that the plough and the harrow should always have for their near neighbors the spindle and the loom.

The higher products of a skilful agriculture—fruits, garden vegetables, and flowers—tend steadily to decline in price in all those countries into which money is flowing; and for the reason, that agricultural improvement always accompanies manufactures, and manufactures always attract the precious metals. Every one familiar with the operations of the West, knows that while corn and pork are there always cheap, cabbages, peas, beans, and all green crops, are invariably scarce and dear; and so continue, until, as around Cincinnati and Pittsburg, population and wealth have given a stimulus to the work of cultivation. In England, the increase of green crops of all kinds has been immense, attended with the decline in price; and in France, a recent writer* informs us that, notwithstanding the increase in the quantity of money, the price of wine is scarcely more than a fourth of what it was three centuries since. By another we are told, that "every man in France, of forty years of age, must have remarked the sensible diminution of the price of garden produce, fruits of all kinds, flowers, etc.; and that most of the oleaginous grains and plants used in manufactures have fallen in like manner; while beets, carrots, beans, etc., have become so common that they are now fed to animals in the stable."†

Food thus becomes more abundant in those countries into which gold is steadily flowing, and it becomes less so in those from which the gold flows, as is seen in Carolina, which has steadily exhausted her land—in Turkey—in Portugal—and in India. In all those countries, land and labor are low in price. Give them manufactures—thus enabling their people to combine their efforts—and they will obtain and retain gold; and then they will make roads, and the supplies of food will steadily increase as cloth and iron become cheaper; and land and labor will then rise in price.

15. Of what use, however, it may be asked, are further supplies of gold and silver when a country has obtained the full allowance required for the most perfect circulation of its products, and of the services of the persons of whom the society is composed? Is it not possible that the commodity may become superabundant? It is not; and for the reason, that the uses of those metals are so numerous and great. Silver is better than iron for a great variety of purposes. The melting-pot of the goldsmith, or the subjection to the hammer of the gold-beater, is the ultimate destination of the whole of the vast products of Siberia, California, and Australia; and the greater the power to use them in the arts, the more rapid must be the progress of civilization. That power grows with increase in the facility of combination, and the latter grows with the increased facility of obtaining this essential machinery of association. The miner of gold is thus always making a market for his commodity, and the more of it that he supplies, the greater is the tendency towards decline in the price of the cloth, the watches, the steam-engines, and the books that he seeks to purchase. In proof that such is the case, it is needed only that—looking back for half a century—we remark the vast increase in the demand for plate, and the growing substitution of gold for the silver that so recently was used. Forty years since, gold watches were the exception. Now, a silver watch is rarely seen. Thirty years since, a gold pencil-case was quite a rarity. Now, such cases are made almost by millions. A quarter of a century since, a gilt-edged book was an unusual article of luxury. Now, gold is required almost by tons for gilding the edges of books. So is it everywhere—gold and silver coming daily into use, because of the increased facility with which they may be obtained; while all the com-

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* M. Moreau de Jonnes.

† De Fontenay, Du Revenu Foncier.

modities required for the miner's purposes have steadily declined in price. That "all discord" is "harmony not understood," we are assured; and the more we study the laws of nature, the more conclusive become the proofs that such is certainly the case.

16. The use of bank-notes tends, however, as we are assured, to promote the expulsion of gold. Were it to do so, it would be in opposition to the great general law in virtue of which all commodities tend to, and not *from*, the places at which they have the highest utility. A bank is a machine for utilizing money, by enabling A, B, and C to obtain the use of it at the time when D, E, and F, its owners, do not need its services. The direct effect of the establishment of such institutions in the cities of Europe has always been to cause money to flow *towards* those cities; and for the reason, that there its utility stood at the highest point. Even then, however, there were difficulties attendant upon the change of property in the money deposited with the bank—the owner being required to go to the banking-house, and write it off to other parties. To obviate this difficulty, and thus increase the utility of money, its owners were at length authorized to draw checks, by means of which they were enabled to transfer their property without stirring from their houses.

The difficulty still, however, existed, that—private individuals not being generally known—such checks could, in general, effect but a single transfer, and thus the recipient of money found himself obliged to go through the operation of taking possession of that which had been transferred to him, after which he had, in his turn, to draw a check when he himself desired to effect another change of property. To obviate this, circulating notes were invented, and by their help the ownership of money is now transferred with such rapidity that a single hundred dollars passes from hand to hand fifty times a day—effecting exchanges, perhaps, to the extent of many thousand dollars, and without the parties being at any time required to devote a single instant to the work of counting the coin. This was a great invention, and by its aid, the utility of money was so much increased that a single thousand pieces could be made to do more work than without it could be done by hundreds of thousands.

This, of course, as we are told, supersedes gold and silver, and causes them to be exported. So we are certainly assured by those economists who regard man as an animal that must be fed and will procreate; and that can be made to work only under the pressure of a strong necessity. Were they, however, to look, for once, at the real MAN—the being made in the image of his Creator, and capable of almost infinite elevation—they would perhaps, arrive at a conclusion widely different. The desires of *that* man are infinite, and the more they are gratified, the more rapidly do they increase in number. The miserable Hottentot dispenses with a road of any kind, but the enlightened and intelligent people of other countries are seen passing in succession from the ordinary village road to the turnpike, and thence to the railroad; *and the better the existing communications, the greater is the thirst for further improvement.* The better the schools and houses, the greater is the desire for superior teachers and further additions to the comforts of the dwelling. The more perfect the circulation of society, the larger is the reward of labor, and the greater is the power to purchase gold and silver, to be used for the various purposes for which they are so admirably fitted, and the greater is the tendency to have them flow to the places at which the circulation is established. Money promotes the circulation of society. The check and the bank-note stimulate that circulation—giving thereby value to labor and land; and wherever these checks and notes are most in use, there should the inward current of the precious metals be most fully and firmly established.

That such *is* the case, is proved by the facts, that, for a century past, the precious metals have tended most to Britain, where such notes were most in use. Their use increases rapidly in France, with constant increase in the inward flow of gold. So, too, does it in Germany, towards which the auriferous current now sets so steadily that notes which are the representatives of money are rapidly taking the place of those irredeemable pieces of paper by which the use of coin has so long been superseded.

Whence flows all this gold? From the countries in which employments are not diversified; from those in which there is little power of association and combination; from those in which, therefore, credit has no existence; from those, finally, which do not use that machinery which so much increases the utility of the precious metals, and which we are accustomed to designate by the term *bank note.* The precious metals go *from* California—*from* Mexico—*from* Peru—*from* Brazil—*from* Turkey—and *from* Portugal—the lands in which property in money is transferred only by means of actual delivery of the coin itself—*to* those in which it is transferred by means of a check or note. It goes *from* the plains of Kansas, where notes are not in use, *to* New York and New England, where they are—*from* Siberia *to* St. Petersburg—*from* the banks of African rivers *to* London and Liverpool—and *from* the "diggings" of Australia *to* the towns and cities of Germany, where wool is dear and cloth is cheap.

17. All the facts exhibited throughout the world tend to prove that every commodity seeks that place at which it has the highest utility; and all those connected with the movement of the precious metals prove that they constitute no exception to the rule. Bank-notes increase the utility of those metals, and should, therefore, attract, and not repel, them. Nevertheless, the two nations of the world which claim best to understand the principles of commerce, are now engaged in a crusade against those notes; and in the vain hope of thereby rendering their several countries more attractive of the produce of the mines of Peru, and Mexico, Australia and California. In this case, England follows in our lead—Sir Robert Peel's restrictions being later in date, by several years, than the declaration of war against circulating notes fulminated by our government.

It is a pure absurdity; and its adoption here is due to the fact that our system of policy tends to that expulsion of the precious metals which always *must* result from the long-continued export of the raw products of the earth. The administration that adopted what is called free trade, was the same that commenced the system of *compelling* the community to use gold instead of notes; and the result was found in the disappearance from circulation of coin of any description whatsoever. From that time to the present, the motto of the generally dominant party of the Union has been—"War to the death against bank-notes;" and, with a view to promote their expulsion, laws have been passed in various States forbidding their use except when of too large size to enter freely into the transactions of the community. As must, however, inevitably be the case the tendency to the loss of the precious metals has always been in the direct ratio of the diminution in their utility thus produced. At one time only, in almost twenty years, has there been an excess import of those metals, and that was under the tariff of 1842. Then, money became abundant and cheap, because the policy of the country looked to the promotion of association and the extension of commerce. Now, it is scarce and dear, because that policy limits the power of association, and established the supremacy of trade.

18. Of all the machinery in use among men, there is none whose yield is so great in proportion to its cost as that employed in effecting exchanges from hand to hand—none whose movements inward or outward are so strong an evidence of increase or decrease of the productive power of the community—none, therefore, that affords the statesman so excellent a barometer by means of which to judge of the working of his measures. It is nevertheless, of all others, the one whose movements are, by economists generally, regarded as least worthy of consideration. By many of them we are even taught that the only effect of an increase in the supply of a commodity whose possession is so anxiously sought by all mankind, is that instead of having the labor of counting out one, two, or three hundred pieces, we should be forced to count three, six, or nine hundred; and that, therefore, there is economy in being forced to perform the work of exchange with the smallest quantity of the machinery by aid of which, alone, it can be performed. All the teachings on this subject are in direct opposition to those of the common sense of mankind; and, as is usually the case, that to which all men are prompted by a sense of their own interests, is far more nearly right than that which is taught by philosophers who look inward to their own minds for the laws which govern man and matter—refusing to study the movements of the people by whom they are surrounded.

The uninstructed savage finds in the waterspout and the earthquake the most conclusive proof of the wonderful power of nature. The man of science finds it in the magnificent, but unseen, machinery by means of which the waters of the ocean are daily raised, to descend again in refreshing dews and summer showers. He finds it, too, in that insensible perspiration which carries off so nearly the whole amount of food absorbed by men and animals. Again; he sees it in the workings of the little animals, invisible to the naked eye, to whom we are indebted for the creation of islands, elaborated out of earth that has been carried from the mountains to the sea, and there deposited. Studying these facts, he is led to the conclusion, that it is in the minute and almost insensible operation of the physical laws he is to find the highest proof of the power of nature, and the largest amount of force. So, too, is it in the social world. To the uninstructed savage, the ship presents most forcibly the idea of commerce. The mere trader finds it in the transport of cargoes of cotton, wheat, or lumber; and in the making of bills of exchange for tens of thousands of dollars, or of pounds. The student of social science, on the contrary, sees it in the exercise of a power of association and combination resulting from development of the various human faculties, and enabling each and every member of society to exchange his days, hours, and minutes for commodities and things to whose production have been applied the days, hours, and minutes of the various persons with whom he is associated. For that commerce, pence, sixpences, and shillings are required; and in them he finds willing slaves, whose operations bear to those of the ship, the same relation that is elsewhere borne by the little coral insect to the elephant.

It is by means of combination of effort that man advances in civilization. Association brings into activity all the various powers, mental and physical, of the beings of which society is composed, and individuality grows with the growth of the power of combination. That power it is which enables the many who are poor and weak, to triumph over the few who are rich and strong; and therefore it is that men become more free with every advance in wealth and population. To enable them to associate, they need an instrument by help of which the process of composition, decomposition, and recomposition of the various forces may readily be effected; so that while *all* unite to produce the effect desired, *each* may have his share of the benefits thence resulting. That instrument was furnished in those metals which stand almost alone in the fact, that, as Minerva sprang fully armed from the head of Jove, they, wherever found, come forth ready—requiring no elaboration, no alteration, to fit them for the great work for which they were intended, that of enabling men to combine their efforts for filling worthily the post at the head of creation for which they were designed. Of all the instruments at the command of man, there are none that tend in so large a degree to promote individuality on the one hand, and association on the other, as do gold and silver—properly, therefore, denominated THE PRECIOUS METALS.

FINANCIAL CRISES:

THEIR

CAUSES AND EFFECTS.

BY

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FINANCIAL CRISES: THEIR CAUSES AND EFFECTS.

LETTER FIRST.

DEAR SIR. — In your recent and highly interesting volume, which I have just now read, there is a passage to which, on account of its great importance as regards the progress of man towards an ultimate state of perfect freedom or absolute slavery, I feel disposed to invite your attention. It is as follows: "I am pained to hear such bad news from the United States — such accounts of embarrassments and failures, of sudden poverty falling on the opulent, and thousands left destitute of employment, and perhaps of bread. This is one of the epidemic visitations against which, I fear, no human prudence can provide, so far, at least, as to prevent their recurrence at longer or shorter intervals, any more than it can prevent the scarlet fever or the cholera. A money market always in perfect health and soundness would imply infallible wisdom in those who conduct its operations. I hope to hear news of a better state of things before I write again."

Is this really so? Can it be, that the frequent recurrence of such calamities is beyond the reach of man's prevention? To admit that so it certainly was, would be, as it seems to me, to admit that Providence had so adjusted the laws under which we exist, as to produce those "epidemic visitations" of which you speak, and of which the direct effect, as all must see, is that of placing those who need to sell their labor at the mercy of those who have food and clothing with which to purchase it — increasing steadily the wealth, strength, and power of these latter, while making the former poorer and more enslaved. Look around you, in New York, at the present moment, and study the effects, in this respect, of the still-enduring crisis of 1857. Turn back to those of 1822 and 1842, and see how strong has been their tendency to compel the transfer of property from the hands of persons of moderate means to those of men who were already rich — reducing the former, with their wives and children, in thousands, if not even hundreds of thousands of cases, to the condition of mere laborers, while largely augmenting the number and the fortunes of "merchant princes" who have no need to live by labor. Look around you and study the growth in the number of your millionaires, side by side with a pauperism now exceeding in its proportions that of Britain, or even that of Ireland. Look next to the condition of the men who labor throughout the country, deprived as they have been, and yet are, of anything approaching to steadiness of demand for their services, in default of which they have been, for two years past, unable suitably to provide for their wives, their children, or themselves. Study then the condition of the rich money-lenders throughout the country, enabled, as they have been, to demand one, two, three, and even four and five per cent per month, from the miners, manufacturers, and little farmers of the Union, until these latter have been entirely eaten out of house and home. Having done all this, you can scarcely fail to arrive at the conclusion, that unsteadiness in the societary movement tends towards slavery — that steadiness therein, on the contrary, tends towards the emancipation of those who have labor to sell from the domination of those who require to buy it—and that, therefore, the question referred to in the passage I have quoted, is one of the highest interest to all of those who, like yourself, are placed in a position to guide their fellow-men in their search for prosperity, happiness, and freedom.

The larger the diversity in the demand for human powers, the more perfect becomes the division of employments, the larger is the production, the greater the power of accumulation, the more rapid the increase of competition for the *purchase* of the laborer's services, and the greater the tendency towards the establishment of human freedom. The greater that tendency, the more rapid becomes the societary action — its regularity increasing with every stage of progress. In proof of this, look to that world in miniature, your own printing-office, studying its movements, as compared with those of little country offices, in which a single person not unfrequently combines in himself all the employments that with you are divided among a hundred, from editor-in-chief to news-boy. The less the division of employments, the slower and more unsteady becomes the motion, the less is the power of production and accumulation, the greater is the competition for the *sale* of labor, and the greater is the tendency towards the enslavement of the laborer, be he black or white.

The nearer the consumer to the producer, the more instant and the more regular become the exchanges of service, whether in the shape of labor for money, or food for cloth. The more distant the producer and consumer, the slower and more irregular do exchanges become, and the greater is the tendency to have the laborer suffer in the absence of the power to obtain wages, and the producer of wool perish of cold in the absence of the power to obtain cloth. That this is so, is proved by an examination of the movements of the various nations of the world, at the present moment. Being so, it is clear, that if we would avoid those crises of which you have spoken—if we would have regularity of the societary movement—and if we would promote the growth of freedom—we must adopt the measures needed for bringing together the producers and consumers of food and wool, and thus augmenting their power to have commerce among themselves.

The essential characteristic of barbarism is found in instability and irregularity of the societary action — evidence of growing civilization being, on the contrary, found in a constantly augmenting growth of that regularity which tends to produce equality, and to promote the growth of freedom. Turn, if you please, to the *Wealth of Nations*, and mark the extraordinary variations in the prices of wheat in the days of the Plantagenets, from *six* shillings, in money of the present time, in 1243, to *forty-eight* in 1246, *seventy-two* in 1257, *three hundred and thirty-six* in 1270, and *twenty-eight* in 1286. That done, see how trivial have been the changes of France and England, from the close of the war in 1815, to the present time. Next, turn to Russia, and mark the fact, given to us by a recent British traveller, that, in those parts of the country that have no manufactures, the farmer is everywhere "the victim of circumstances" over which he has no control whatsoever—the prices of his products being dependent entirely upon the greater or smaller size of the crops of other lands, and he being ruined at the very moment when the return to his labor has been the most abundant. Look then to the changes throughout our own great West in the present year—wheat having fallen from $1.30 in May to 50 cts. in July—and you will see how nearly the state of things with us approximates to that of Russia. Compare all this with the movements of England, France, and Germany, and you will, most assuredly, be led to arrive at the conclusion, that the stability whose absence you deplore, is to be sought by means of measures looking to the close approximation of the producer and the consumer, and to the extension of domestic commerce.

Five years since, British journals nearly all united in predicting the advent of a great financial crisis, the seat of which would be found in France and Germany. More careful observation might have satisfied them that the tendency towards such crises was always in the direct ratio of the distance of consumers from producers, and that the real places in which to look for that which was then predicted, were those countries which most seemed bent on separating the producers and consumers of the world, Britain and America—the one seeking to drive all its people into the workshops, and the other laboring to compel them all to seek the fields, and both thus acting in direct defiance of the advice of Adam Smith. The crisis came, spending its force upon *those two countries*—France, Belgium, and Germany escaping almost entirely unharmed, and for the reason, that in all these latter the farm and the workshop were coming daily more near together, and commerce was becoming more rapid, free, and regular.

Russia and Sweden have, however, suffered much—the crisis having become, apparently, as permanent as it is among ourselves. Why should this be so? Why should they be paralyzed, while France and Germany escape uninjured? Because, while these latter have persisted in maintaining that protection which is needed for promoting the approximation of producers and consumers, the former have, within the last three years, departed essentially from the system under which they had been so rapidly advancing towards wealth and freedom—adopting the policy advocated by those writers who see in the cheapening of the labor and of the raw materials of other countries, the real British road to wealth and power.

Throughout Northern and Central Europe, there has been, in the last half century, a rapid increase in the steadiness of the societary movement, and in the freedom of man—that increase being the natural consequence of increased rapidity of motion resulting from a growing diversification in the demand for human services, and growing competition for the *purchase* of labor. In Ireland, India, Spanish America, and Turkey, the reverse of this is seen—producers and consumers becoming more widely separated, and exchanges becoming more fitful and irregular, with growing competition for the *sale* of labor. Why this difference? Because the policy of the former has been directed towards protecting the farmer in his efforts to draw the market nearer to him, and thus diminish the wasting tax of transportation, while the latter have been steadily becoming more and more subjected to the system which seeks to locate in the little island of Britain the single workshop of the world.

How it has been among ourselves, is shown in the following brief statement of the facts of the last half century. From the date of the passage of the act of 1816, by which the axe was laid to the root of our then-rapidly-growing manufactures, our foreign trade steadily declined, until, in 1821, the value of our imports was less than half of what it had been six years before. Thenceforward, there was little change until the highly-protective act of 1828 came fairly into operation — the average amount of our importations, from 1822 to 1830, having been but 80 millions—and the variations having been between 96 millions in one year and 70 in another. Under that tariff, the domestic commerce grew with great rapidity — enabling our people promptly to sell their labor, and to become better customers to the people of other lands, as is shown by the following figures, representing the value of goods imported:

1830–31	$103,000,000
1831–32	101,000,000
1832–33	108,000,000
1833–34	126,000,000

Here, my dear sir, is a nearly regular growth — the last of these years being by far the highest, and exceeding, by more than 50 per cent, the average of the eight years from 1822 to 1830. In this period, not only did we contract no foreign debt, but we paid off the whole of that which previously had existed, the legacy of the war of independence; and it is with nations as with individuals, that "out of debt is out of danger."

The compromise tariff began now to exert its deleterious influence — stopping the building of mills and the opening of mines, and thus lessening the power to maintain domestic commerce. How it operated on that with foreign nations, is shown in the facts, that the imports of 1837 went up to $189,000,000, and those of 1838 down to $113,000,000 — those of 1839 up to $162,000,000, and those of 1840 down to $107,000,000; while those of 1842 were *less than they had been ten years before.* In this period, we ran in debt to foreigners to the extent of hundreds of millions, and closed with a bankruptcy so universal, as to have embraced individuals, banks, towns, cities, States, and the national treasury itself.

That instability is the essential characteristic of the system called free-trade, will be obvious to you on the most cursory examination of the facts presented by the several periods of that system through which we have thus far passed. From more than $100,000,000, in 1817, our imports fell, in 1821, to $62,000,000. In 1825, they rose to $96,000,000, and then, two years later, they were but $79,000,000. From 1829 to 1834, they grew almost regularly, but no sooner had protection been abandoned, than instability, with its attendant speculation, reappeared — the imports of 1836 having been greater, by 45 per cent, than those of 1834, and those of 1840 little more than half as great as those of 1836.

Once again, in 1842, protection was restored; and once again do we find a steady and regular growth in the power to maintain intercourse with the outer world, consequent upon the growth of domestic commerce, as is shown in the following figures:

1843–44	$108,000,000
1844–45	117,000,000
1845–46	121,000,000
1846–47	146,000,000

We have here a constant increase of *power* to go to foreign markets, accompanied by a constant decrease in the *necessity* for resorting to them — the domestic production of cotton and woollen goods having doubled in this brief period, while the domestic production of iron had more than trebled.

Twelve years having elapsed since the tariff of 1846 became fairly operative, we have now another opportunity for contrasting the operation of that policy under which Russia and Sweden are now suffering, with that of the one under which they had made such rapid progress — that one which is still maintained by Germany and by France. Doing this, we find the same instability which characterized the periods which preceded the passage of the protective tariff acts of 1824, 1828, and 1842, and on a larger scale — the imports having been $178,000,000 in 1850, $304,000,000 in 1854, $260,000,000 in 1855, $360,000,000 in 1857, $282,000,000 in 1858, and $338,000,000 in 1859 — and our foreign debt, with all its tendency towards producing those crises which you so much deplore, having been augmented probably *not less than three hundred millions of dollars.*

Ten years since, there was made the great discovery of the Californian gold deposits—a discovery whose effect, we were then assured, was to be that of greatly reducing the rate of interest paid by those who labored to those others who were already rich. Have such results been thus far realized? Are not, on the contrary, our workingmen — our miners and manufacturers, our laborers and our settlers of the West — now paying *thrice* the price for the use of money that was paid at the date of the passage of the tariff act of 1846? Are not these latter, at this moment, paying three, four, five, and even as high as six per cent per month? Are they not paying more *per month,* than is paid *per year* by the farmers of the protected countries of the European world? That they are so, is beyond a doubt. Why it is so is, that although we have received from California five hundred millions of gold, we have been compelled to export, in payment for foreign food in the form of iron and lead, cloths and silks, more than four hundred millions — leaving behind little more than has been required for consumption in the arts. Had we made our own iron and our own cloth, thus making a domestic market for the products of our farms, would not much of this gold have remained at home? Had it so remained, would not our little farmers find it easier to obtain the aid of capital at the rate of six per cent *per annum,* than they now do at three, four, or five per cent *per month?* Would not their power of self-government be far greater than it is now, under a system that, as we see, makes the poor poorer, while the very rich grow richer every day? Reflect, I pray you, upon these questions and these facts, and then answer to yourself if the crises of which you speak are not the necessary results of an erroneous policy of which, during so long a period, you have been the steady advocate.

The history of the Union for the past half century may now briefly thus be stated: We have had three periods of protection, closing in 1817, 1834, and 1847, each and all of them leaving the country in a state of the highest prosperity — competition for the *purchase* of labor then growing daily and rapidly, with constant tendency towards increase in the amount of commerce, in the steadiness of the societary action, and in the freedom of the men who needed to sell their labor.

We have had three periods of that system which looks to the destruction of domestic commerce, and is called *free trade*—that system which prevails in Ireland and India, Portugal and Turkey, and is advocated by British journalists — each and all of them having led to crises such as you have so well described, to wit, in 1822, 1842, and 1857. In each and every case, they have left the country in a state of paralysis, similar to that which now exists. In all of them, the exchanges have become more and more languid, the societary movement has become more and more irregular, and the men who have needed to sell their labor have become more and more mere instruments in the hands of those who had food and clothing with which to purchase it.

All experience, abroad and at home, tends, thus, to prove that men become more free as the domestic commerce becomes more regular, and less and less free as it becomes more and more fitful and disturbed. Such being the case, the questions as to the causes of crises, and as to how they may be avoided, assume a new importance — one greatly exceeding, as I imagine, that which you felt disposed to attach to them when writing the passage which has above been given. To my apprehension, they are questions of liberty and slavery, and therefore it is that I feel disposed to invite you, as a friend of human freedom, to their discussion through the columns of your own journal, the *Evening Post*—that discussion to be carried on in the spirit of men who seek for truth, and not for victory. If you can satisfy me that I am in error as to either facts or deductions, I will at once admit it; and you, I feel assured, will do the same. As an inducement to such discussion, I now offer to have all your articles reprinted in protectionist journals, to the extent of 300,000 copies — thereby giving you not less than *a million and a half of readers*, among the most intelligent people of the Union. In return, I ask of you only, that you will publish my replies in your single journal, with its circulation of, as I am told, fifteen or twenty thousand. That this is offering great odds, you must admit.

It may, however, be said, that the replies might be such as would occupy too large a portion of your paper; and to meet that difficulty, I now stipulate that they shall not exceed the length of the articles to which answers are to be given — thus leaving you entire master of the space to be given to the discussion. Hoping to hear that you assent to this proposition, I remain, very respectfully,

Your obedient servant,
HENRY C. CAREY.

W. C. BRYANT, ESQ.

PHILADELPHIA, *December* 27, 1859.

LETTER SECOND.

DEAR SIR.—Allow me now to ask you why it is, that great speculations, followed by crises and by almost total paralyses, such as you have so well described, *always* occur in free trade times, and *never* in periods when the policy of the country is being directed towards the creation of domestic markets, and towards the relief of our farmers from the terrific taxes of trade and transportation to which they are now subjected? That such are the facts, you can readily satisfy yourself by looking back to the great speculations of the four periods of 1817, 1836, 1839, and 1856, followed by the crises of 1822, 1837, 1842, and 1857—and then comparing them with the remarkable steadiness of movement which characterized those of the protective tariffs of 1828 and 1842. Study our financial history as you may, you will find in its every page new evidence of the soundness of the views of Washington, Jefferson, and Hamilton, Adams, Madison, and Monroe, each and all of whom had full belief in the accuracy of the ideas so well enunciated by General Jackson, when he declared that we "had been too long subject to the policy of British merchants"—that it was "time we should become a little more *Americanized*"—and that, if we continued longer the policy of feeding "the paupers and laborers of England" in preference to our own, we should "all be rendered paupers ourselves."

Why is all this? Why must it be so? Why must, and that *inevitably*, speculation, to be followed by crises, paralyses, and daily-growing pauperism, be the invariable attendant upon the policy which looks to the separation of the producer of raw products from the consumer of the finished commodities into which rude materials are converted? To obtain an answer to all these questions, let us look again, for a moment, to the proceedings connected with the printing and publication of the *Evening Post.* Dealing directly with your paper-maker, you pay him cash, or give him notes, in exchange for which he readily obtains the money—no artificial credit having been created.. Place yourself now, if you please, at a distance of several thousand miles from the manufacturer, and count the many hands through which your paper would have to pass—each and every change giving occasion to the creation of notes and bills, and to the charge of commissions and storage; and you will, as I think, be disposed to arrive with me at the conclusion, that the tendency towards the creation of artificial credits, and towards speculation, grows with the growth of the power of the middleman to tax the producers and consumers of the world.

Seeking further evidence of this, let me ask you to look at the circumstances which attend the sale of your products. Now, your customers being close at hand, you are paid in cash—your whole year's business not giving, as I suppose, occasion for the creation of a single note. Change your position, putting yourself in that of the Manchester manufacturers, at a distance of thousands of miles from your customers, compelled to deal with traders and transporters, and study the quantity of notes and bills, with their attendant charges, that would be created—the augmentation of price and diminution of consumption that would be the consequence—the power that would be accumulated in the hands of those who had money to invest, and desired to produce such crises as those which you have so well depicted—and you will, most assuredly, arrive at the conclusion that there is but one road towards steadiness and freedom, and that that road is to be found in the direction of measures having for their object the more close approximation of the producers and consumers of the products of the earth.

Studying next the great facts of our financial history, with a view to ascertain how far they are in accordance with the theory you may thus have formed, you will see that, in those prosperous years of the tariff of 1828, from 1830 to 1833, the quantity of bank notes in circulation was but 80 millions. No sooner, however, had we entered upon the free trade policy, providing for the gradual diminution and ultimate abolition of protection, than we find a rapid growth of speculation, consequent upon the growing power for the creation of artificial credits—the average circulation of the years from 1834 to 1837 having been no less than 149 millions, or nearly twice what it before had been. Under the protective tariff of 1842, the average was but 76 millions; but no sooner had protection been abandoned, than we find an increase so rapid as to have carried up the average from 1846 to 1849, to 113, and that of 1850 and 1851, to 143 millions. In that period speculation had largely grown, but prosperity had as much declined. When the circulation was small, domestic commerce was great — mines having been opened, furnaces and factories having been built, and labor having found its full reward. When, on the contrary, the circulation had become so great, mines were being closed and miners were being ruined — furnaces and factories were being sold by the sheriff, and our people were unemployed. In the one case, men were becoming more free, while in the other they were gradually losing the power to determine for themselves to whom they would sell their labor, or what should be its reward. In the one, there was a growing competition for the *purchase* of the laborer's services. In the other, there was increasing competition for their *sale.* Such having invariably been the case, can you, my dear sir, hesitate to believe, that the question to whose discussion I have invited you, *is not* one of the prices of cotton or woollen cloths, but *is*, really, that of man's progress towards that perfect freedom of action which we should all desire for ourselves and those around us, on the one hand, or his decline towards slavery, and its attendant barbarism, on the other? That, as it seems to me, you can scarcely do.

At no period in the history of the Union has competition for the *purchase* of labor, accompanied by growing tendency towards improvement in the condition of the laborer, been so universal or so great as in 1815, 1834, and 1847, the closing years of the several periods in which the policy of the country was directed towards the approximation of the producers and consumers of the country, by means of measures of protection. At none, has the competition for its *sale,* with corresponding decline in the laborer's condition, been so great as in the closing years of the free trade periods, to wit, from 1822 to 1824, and from 1840 to 1842.

Great as was the prosperity with which we closed the period which had commenced in this latter year, three short years of the tariff of 1846 sufficed for reproducing that competition for the *sale* of labor, relief from which had been the object of the men who made the tariff of 1842. From the decline with which we then were menaced, we were relieved by the discovery of the Californian mines, and by that alone. Since then, we have thence received more than five hundred millions of gold, and yet at no period has there existed a greater tendency to increase of competition for the *sale* of labor than at present — the two cities of New York and Philadelphia, alone, presenting to our view *hundreds of thousands of persons who are totally unable to exchange their services for the money with which to purchase food and clothing.* Is it not clear, from all these facts, that —

First, the nearer the place of consumption to the place of production, the smaller must be the power of transporters and other middlemen to tax consumers and producers, and the greater must be the power of the men who labor to profit by the things produced?

Second, that the more close the approximation of consumers and producers, the smaller must be the power of middlemen to create fictitious credits, to be used in furtherance of their speculations?

Third, that the greater the power of the men who labor, and the larger their reward, the greater must be the tendency towards that steadiness in the societary action, in the perfection of which you yourself would find the proof of "infallible wisdom in those who conduct its operations"?

Fourth, that all the experiences of continental Europe, and all our own, tend to prove that steadiness is most found in those countries, and at those periods, in which the policy pursued is that protective one advocated in France by the great Colbert, and among ourselves by Washington, Franklin, Hamilton, Adams, Jefferson, and their successors, down to Jackson; and least in all of those in which the policy pursued is that advocated by the British school, which sees in cheap labor and cheap raw materials the surest road to wealth and power for the British trader?

Renewing my proposition to cause your answers to these questions to be republished to the extent of not less than 300,000 copies, I remain, my dear sir, with great respect,

Your obedient servant,
Henry C. Carey.

W. C. Bryant, Esq.

Philadelphia, *January* 8, 1860.

LETTER THIRD.

DEAR SIR.—In one of his *Mount Vernon Papers,* Mr. Everett informs his readers, that—

> "The distress of the year 1857 was produced by an enemy more formidable than hostile armies; by a pestilence more deadly than fever or plague; by a visitation more destructive than the frosts of Spring or the blights of Summer. I believe that it was caused by a mountain load of DEBT. The whole country, individuals and communities, trading-houses, corporations, towns, cities, States, were laboring under a weight of debt, beneath which the ordinary business relations of the country were at length arrested, and the great instrument usually employed for carrying them on, CREDIT, broken down."

This is all very true—a crisis consisting in the existence of heavy debts requiring to be paid by individuals, banks, and governments, at a time when *all* desire to be paid, and *few or none* are able to make the payments. That admitted, however, we are not, so far as I can see, much nearer than we were before to such explanation of the *causes* of crises, as is required for enabling us to determine upon the mode of preventing the recurrence of evils so frightful as are those you have so well described. Why is it, that our people are so much more burthened with debt than are their competitors in Europe? Why is it, that it so frequently occurs among ourselves that all need to be paid, and so few are able to pay? Why is it, that crises *always* occur in free-trade times? Why is it, that they *never* occur in protective times? Why is it, that it so frequently occurs that those who are rich are enabled to demand from the poor settlers of the West, as much *per month*, in the form of interest, as is paid *per year*, by the farmers of England, France, and Germany? These are great questions, to which Mr. Everett has furnished no reply. Let us have them answered, and we shall have made at least one step toward the removal of the evils under which our people so greatly suffer.

Let us try, my dear sir, if you and I cannot do that which Mr. Everett has failed to do—ascertaining the cause of the existence of so much debt, the constant preliminary to that absence of confidence which impels all to seek payment, while depriving so nearly all of the power to pay.

The commodity that you and I, and all of us, have to sell, is labor—human effort, physical or mental. It is the only one that perishes at the moment of production, and that, if not then put to use, is lost forever. The man who *does* put it to use, need not go in debt for the food and clothing required by his family; but he who *does not,* must either contract debt, or his family must suffer from want of nourishment. Such being the case, the necessity for the creation of debt should diminish with every increase in that competition for the *purchase* of labor, which tends to produce an *instant* demand for the forces, physical or mental, of each and every man in the community—such competition resulting from the existence of a power on the part of each and every other man to offer something valuable in exchange for it. On the contrary, it should increase with every increase in the competition for the *sale* of labor, resulting from the absence of demand for the human forces that are produced. In the one case, men are tending towards freedom, whereas, in the other, they are tending in the direction of slavery—the existence of almost universal debt being to be regarded as evidence of growing power, on the part of those who are already rich, to control the movements of those who need to live by the sale of labor.

Where, now, is debt most universal and most oppressive? For an answer to this question, let me beg that you will look to India, where, since the annihilation of her manufactures, the little proprietor has almost disappeared, to be replaced by the wretched tenant, who borrows at fifty, sixty, or a hundred per cent, *per annum*, the little seed he can afford to use, and finds himself at last driven to rebellion by the continued exactions of the money-lenders and the government. Turn, next, to those parts of Russia where there are no manufactures, and find in the free-trade book of M. Tegoborski his statement of the fact, that where there is no diversification of pursuits the condition of the slave is preferable to that of the free laborer. Pass thence to Turkey—finding there an universality of debt that is nowhere else exceeded. Look, next, to Mexico, and find the poor laborer, overwhelmed with debt, passing into servitude. Pass on to Ireland, and study the circumstances which preceded the expulsion, or starvation, in ten short years, of a million and a half of free white people—that expulsion having been followed by the passage of an Act of Parliament for expelling, in their turn, the owners of the land from which those laborers had gone. Look where you may, you will see that it is in those communities of the world which are most limited to the labors of the field, that debt is most universal, and that the condition of the people is most akin to slavery—and for the reason that there it is, that there is least competition for the *purchase* of labor. There, consequently, there is the greatest waste of the great commodity which all of us must sell, if we would have the means of purchase.

Turn, now, if you please, to Central and Northern Europe, and there you will find a wholly different picture—competition for the purchase of labor being there steadily on the increase, with constant augmentation of the rapidity of commerce—constant increase in the power to economize the great commodity of which I have spoken—and, as a necessary consequence, constant diminution in the necessity for the contraction of debt. Why should such remarkable differences exist? Because, in all of these latter countries, the whole policy of the country tends towards emancipation from the British free-trade system, whereas India, Ireland, Turkey, and Mexico, are becoming from day to day more subject to it.

Looking homeward, we may now, my dear sir, inquire when it has been, that the complaint of debt has been most severe. Has it not been in those awful years which followed the free-trade speculations of 1816–17? Has it not been in that terrific period which followed the free-trade speculations of '37 to '40—that period in which a bankrupt law was forced from Congress, as the only means of enabling tens of thousands of industrious men to enter anew upon the business of life? Has it not been in the years of the present free-trade crisis, which present to view private failures of almost five hundred millions in amount?

When, on the other hand, has there been least complaint? Has it not been in those tranquil years which followed the passage of the protective tariffs of '28 and '42? That it has been so, is certain. Why should it so have been? Because in protective times every man has found a purchaser for his labor, and has been thereby relieved from all necessity for contracting debt; whereas, in free-trade times, a large portion of the labor power produced has remained unemployed, and its owners, *unable to sell their one commodity*, have been forced to choose between the contraction of debt on the one hand, or famine and death on the other.

Look next, my dear sir, to our public debt, and mark its extinction under the tariff of '28 — its revival under the compromise tariff — its reduction under that of '42 — and then study the present situation of a national treasury that, in time of perfect peace, is running in debt at the rate of little less than $20,000,000 a-year!

Turn then, if you please, to our debt to foreigners, which was *annihilated* under the tariff of '28 swelled to hundreds of millions under the tariff of '33 — and since so much enlarged, under the tariffs of '46 and '57, that the enormous sum of $30,000,000 is now required for the payment of its annual interest.

France, with a population little larger than our own, and one far less instructed, maintains an army of 600,000 men — carries on distant wars —builds magnificent roads—enlarges her marine and fortifies her ports — and does all these things with so much ease, that when the government has suddenly occasion for $100,000,000, the whole is supplied at home, and without an effort. Belgium and Germany follow in the same direction — not only making all their own roads, but contributing largely to the construction of those which are used for carrying out the rude products of our land, and bringing back the cloth, the paper, and the iron, that our own people, now unemployed, would gladly make at home. They are rapidly becoming the bankers of the world, for they live under systems even more protective than were those of our tariffs of '28 and '42. We, on the contrary, are rapidly becoming the great paupers of the world — creating seven, eight, and ten per cent bonds, and then selling them at enormous discounts, to pay for iron so poor in quality that our rails depreciate at the rate of five, six, and even ten per cent a-year.

Looking at all these facts, is it not clear, my dear sir —

That the necessity for the contraction of debt exists, throughout the world, in the ratio of the adoption of the free-trade system of which you are the earnest advocate?

That the greater the necessity for the contraction of debt, the greater is the liability to the recurrence of commercial crises such as you have so well described?

That the more frequent the crises, the greater is the tendency towards the subjection of the laborer to the will of his employer, and towards the creation of slavery even where it has at present no existence? And, therefore —

That it is the bounden duty of every real lover of freedom to labor for the re-establishment of the protective system among ourselves?

At foot* is given, as you see, your notice of refusal to enter upon the discussion to which you have been invited. For a reply thereto, permit me, my dear sir, to refer you to the following exposition of your own views in relation to free discussion, given by yourself, a few days since, in the *Evening Post:*

> "Those Political Lectures.—As our readers know, a project has been under consideration to give a course of political lectures in this city during the present winter, and in which our prominent politicians of all parties were to be invited to take a part. We now understand that the scheme has fallen through, mainly because no single Democrat could be found who was willing to ventilate his party opinions, and maintain them, in connection with a series of similar addresses by Republican, Radical, and American speakers. We are assured that of twenty Northern and Southern Democratic statesmen, who have been invited, not one has accepted the invitation. It is proper to say that the signatures to the letter inviting speakers represented a number of our very foremost citizens, of all shades of politics. If a letter, so respectably signed as to guarantee every courtesy to all who took part in the course, failed to secure at least *one* speaker to uphold Democratic principles, we may safely suggest that the old *soubriquet* of the "unterrified Democracy" is a misnomer. We regret the failure of the proposed course of lectures, but are glad to know that many Republicans were willing to participate. Why cannot we have a few Republican speakers in an independent course?"

Obviously, these Democrats fear discussion. For years, they have been advocating doctrines that will not bear examination before the people. What, however, shall we say to the free-trade advocates? Is there any one of *them* that would accept a proposition like to the one to which you have here referred? Would they even accept an offer that was so much better than this, that it would give them, of cool and reflecting readers, *five hundred times as many* as you could give to any Democrat, of mere auditors? Would Mr. Hallock, of the *Journal of Commerce*, accept the magnificent offer I have made to you, which, thus far, you have not accepted? Would it be accepted by Mr. Greene, of the Boston *Morning Post?* Will you accept it? If you will not, can you object to the course of the Democratic leaders to whom you have here referred? Scarcely so, as I think.

Hoping to hear that you have reconsidered the question, and have decided to accede to a proposition which will enable you to address to *a million and a half of readers*, all the arguments that can be adduced in support of free-trade doctrines, I remain, my dear sir,

Very truly and respectfully yours,
Henry C. Carey.

W. C. Bryant, Esq.

Philadelphia, *January* 17, 1860.

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* "Mr. Carey's Challenge. — Mr. Henry C. Carey, of Philadelphia, known by various works on political economy, has challenged Mr. Bryant, one of the editors of this paper, to a discussion, in the newspapers, of the question of custom-house taxation. In behalf of Mr. Bryant, we would state that challenges of this kind he neither gives nor accepts. It would almost seem like affectation on his part to say that he has not read the letters — two in number, he is told — in which this defiance is given on the part of Mr. Carey, having, unfortunately, too little curiosity to see in what terms it is expressed; but as such is the fact, it is well perhaps to mention it. His duties as a journalist, and a commentator on the events of the day and the various interesting questions which they suggest, leave

him no time for a sparring-match with Mr. Carey, to which the public, after a little while, would pay no attention; and if he had ever so much time, and the public were ever so much interested in what he had to say, he has no ambition to distinguish himself as a public disputant. His business is to enforce what he considers important political truths, and refute what seem to him errors, just as the occasions arise, and to such extent as he imagines himself able to secure the attention of those who read this journal, and he will not turn aside from this course to tie himself down to a tedious dispute concerning the tariff question at any man's invitation.

"The question of the tariff is not the principal controversy of the day. It may seem so to Mr. Carey, who is suffering under a sort of monomania, but the public mind is occupied just now with matters of graver import. To them it is proper that a journalist should principally address himself, until they are disposed of. He may make occasional skirmishes in other fields of controversy, but here is the main battle. When the tariff question comes up again, it will be early enough to meet it; and even then, a journalist who understands his vocation would keep himself free to meet it in his own way.

"If Mr. Carey is anxious to call out some antagonist with whom to measure weapons in a formal combat, and can find nobody who has an equal desire with himself to shine in controversy, we can recommend to him a person with whom he can tilt to his heart's content. One Henry C. Carey, of Philadelphia, published, some twenty years since, a work in three volumes, entitled 'Principles of Political Economy,' in which he showed, from the experience of all the world, that the welfare of a country is dependent on its freedom of trade, and that, in proportion as its commerce is emancipated from the shackles of protection, and approaches absolute freedom, its people are active, thriving, and prosperous. We will put forward Henry C. Carey as the champion to do battle with Henry C. Carey. This gentleman, who is now so full of fight, will have ample work on his hands in demolishing the positions of his adversary, with which he has the great advantage of being already perfectly familiar. When that is done, which will take three or four years at the least, inasmuch as both the disputants are voluminous writers, we would suggest that he give immediate notice to his associates, the owners of the Pennsylvania iron-mills, who will doubtless lose no time in erecting a cast-iron statue in honor of the victor."

LETTER FOURTH.

Dear Sir.—In the notice of your refusal to enter upon the discussion to which you have been invited, it is said that you "had not read the letters" that had been addressed to you. That such had been the case, is not at all improbable; but how far a great public teacher, as you undoubtedly are, can be held justified in closing his eyes when invited to a calm examination of the question whether his teachings tend in the direction of prosperity and freedom for the laborer, on the one hand, or toward pauperism and slavery on the other, seems to me to be far less certain. Placed myself in his situation, I should regard it as one of great responsibility — one in which erroneous action, resulting from failure to give to the subject the fullest and fairest examination, would be little short of the wilful and deliberate commission of crime. That you agree with me in this, I cannot, even for a moment, doubt.

That you had not read the notice served upon me, I regard as absolutely certain, and for the reason, that its tone and manner are entirely unworthy of you, and you would not, I am sure, permit anything to be said by others for you, that you would not say yourself. Further, you are there placed in the false position of doing what I know you would not do—shrinking from responsibility, by permitting yourself to be presented to the world as being only "one of the editors" of the *Post*, instead of *the* editor, as you are so well known to be. Mr. Greeley is *the* editor of his paper, and, as such, endorses the opinions, given editorially, of the many gentlemen by whom he is aided. So, too, is it with yourself; and the rule of looking to the endorser when the drawer cannot be found, applies in this case as fully as it can do in that of a promissory note. So far as I can recollect, the editor of the *Tribune* has never shrunk from any such responsibility — having repeatedly replied, over his own signature, to papers addressed to himself in reference to editorials that he had published. Quite sure I am, that were you now to cite him before the world, as I have cited you, demanding an examination of the principles upon which he had based his advocacy of protection, he would most gladly meet you — giving to all you had to say the benefit of his enormous circulation, and leaving his readers to decide for themselves, after calm perusal of your arguments. Like you, he might find it quite impossible to give to the question all the attention it might demand, but, in that case, he would, most assuredly, find some one to take his place—becoming responsible, as editor, as fully as if he alone had written. Like him, you are surrounded by persons who have treated this subject on hundreds, if not even thousands, of occasions—you making yourself responsible for all they have thus far said; and I am, therefore, at a loss to understand why you should now fail to profit by the admirable opportunity offered you, for establishing the truth of free-trade doctrines. Can it be, that their advocates *dare not* meet the question? If so, are they not now placing themselves in a situation precisely similar to that so recently described by you, in speaking of your Democratic opponents?

I am told, however, that this is not the principal question of the day. It may not be so with the people of your city, but you would greatly err, were you to suppose that such was the case with those of the States south and west of you, and north of Mason and Dixon's line. In this State and Jersey, it is *the one*, and almost *the only* question. In Ohio, a large majority of the Republican senators are stated to have announced their distinct intention to make it *the* question. In Illinois, the most influential of all the Republican journals of the State has entirely abandoned the free-trade doctrines—giving itself now to the advocacy of protection. Throughout the West, the question of the adoption of measures required for the creation of domestic markets, and for the emancipation of the country from the control of British manufacturers, is rapidly taking the place heretofore so exclusively occupied by the anti-slavery one. All of these people *may* be wrong, and, if so, they should be set right. That they may be so, I have offered you the use of the columns of protectionist journals, circulating, to the extent of hundreds of thousands of copies, among the very persons who are thus in error. That great offer it is that, thus far, you have not accepted.

The great question of the day, in your estimation, is that of slavery and freedom, and in this we are entirely agreed. How is it that men may be made more free? That *is* the question, and it must be answered before we can venture upon action, unless we are willing to incur the risk of promoting the growth of slavery, while really desiring to advance the cause of freedom. All experience shows, that men have become more free as they have been more and more enabled to work in combination with each other, and that the power of combination grows as employments become more diversified—slavery, on the other hand, growing in all those countries in which men are becoming more and more limited to the labors of the field. Such being the case, that policy which tends to produce diversification and combination should be the one which would lead to freedom. Which of the two is it, protection or free trade, which tends in that direction? For an answer to this question, we need but look to Northern and Central Europe — finding there the protective system in full vigor, and the people rapidly advancing in wealth, strength, freedom, and power. The opposite, or free-trade system, has been in active operation in India, Ireland, Turkey, and other countries, whose people are as rapidly declining towards poverty, slavery, and general demoralization.

How, my dear sir, has it been among ourselves? Turn to the years which followed the abandonment of the protective policy in 1816, and study the rapid growth of pauperism and wretchedness that was then observed. Pass on to those which followed the passage of the protective tariffs of 1824 and 1828, and remark the wonderful change towards wealth and freedom that was at once produced. Study next the growth of pauperism and destitution under the compromise tariff, closing with the almost entire paralysis of 1840–42. Pass onward, and examine the action of the tariff of 1842 — remarking the constant increase in the demand for labor—in the production and consumption of iron, and of cotton and woollen goods — and in the strength and power of a community which had so recently been obliged to apply, *and that in vain*, at all the banking houses of Europe, for the small amount of money that then was needed for carrying on the government. Look, next, to the repeated crises we have had under the tariffs of 1846 and 1857—each and all of them tending toward strengthening the rich, while weakening the poor, and promoting a growth of pauperism such as has never, I believe, been known, in any country of the civilized world, to be accomplished in so brief a period. Such having been the result, the questions now arise, —Whither are we tending? Is it not toward slavery for the white laborer? Those are the questions I have desired to have discussed, and whatever you, my dear sir, may think of it, they must be always in order.

These, however, as may be said, are mere facts—a sort of *political arithmetic.* Trade should be free, and any facts that may be produced in opposition to that theory, must be such as cannot be relied on.—That we should be always going in the direction of freedom of commerce, and freedom of man, I fully and freely admit; but what is the road which leads in that direction? Certainly, not the one on which we recently have travelled—all our present tendencies being toward pauperism and slavery, for the white man and the black. As certainly, it is the one on which we travelled in the years of the period of the tariffs of 1828 and 1842; and if you desire any evidence of this, you have but to look to the most distinguished free-trade writers of the present century—their teachings and mine being in full accordance with each other.

Seeking proof of this assertion, allow me, my dear sir, to request that you will turn to *Mr. J. B. Say*, and study the cases described by him as being those in which "protection, granted with a view to promote the profitable application of labor and capital, may become productive of universal benefit." Look next, if you please, to *Mons. Blanqui*, his successor, and find him assuring his readers that "experience had already taught, that a people ought never to deliver over to the chances of a foreign trade, the fate of its manufactures." Pass on to *Mons. Rossi*, and read his entire disclaimer of the idea of non-intervention by the government—holding, as he does, that "a prudent and enlightened administration requires the making, in view of probable future benefit, of advances that may not, possibly, be repaid in full." Turn thence to *Mr. J. S. Mill*, who tells his readers, that "the superiority of one country over another, in any branch of production, often arises only from having begun it sooner, and that a country which has skill and experience yet to acquire, may, in other respects, be better adapted to the production than others that were earlier in the field;" but, that "it cannot be expected that individuals should, at their own risk, or, rather, at their certain loss, introduce a new manufacture, and bear the burthen of carrying it on, until the producers have been educated up to the level of those with whom the processes have become traditional." Look next to *Mons. Chevalier*, and learn that not only "it is not an abuse of power on the part of the government," but that "it is only the accomplishment of a positive duty, so to act at each epoch in the progress of a nation, as to favor the taking possession of all the branches of industry whose acquisition is authorized by the nature of things." The government which fails to do this, "makes," as he thinks, "a great mistake."

You have here, my dear sir, the views of five of the most eminent European economists of the present century—all of them high authorities in the free-trade school, and yet all concurring in the views I have expressed to you. Facts and theories being thus in opposition to your doctrines, is it not time that you should undertake anew the examination of the question, with a view to satisfy yourself whether the teachings of the *Post* are really those of slavery or of freedom?

I am told that I was once a free-trader, and nothing can be more true. Careful study of the phenomena of the free-trade convulsion of 1840–42, and of the protectionist revival of 1842–47, having, however, satisfied me that that the facts and the theory could not agree, I was led to study anew the latter, and find the cause of error. That found, I felt no more difficulty in admitting that I had been wrong, than would be felt by yourself, after you should have tried, and vainly tried, to establish the fact, that the cause of freedom was to be promoted by a policy that separated the producer from the consumer — placing the spindle and the loom on one continent, and leaving the plough and the harrow on the other.

At the moment of inviting you to join with me in an inquiry as to the real road towards wealth and freedom for our people, harmony for our Union, and prosperity and power for our great Confederacy — that inquiry to be conducted in the spirit of men who sought for truth, and not for victory — I had still some lingering doubts of your acceptance; and yet, it appeared to me that you yourself should be quite as anxious for it as I, by any possibility, could be.—Desirous to remove all difficulty, the space to be given was left to your decision — the greatness of the subject seeming to me to give assurance that the inquiry would be allowed to assume proportions somewhat in accordance with those of the interests to be discussed. Pledged, as we should be, to the cause of truth, and to that alone, any previous involvements, on either side, would shrink into utter insignificance. Neither of us, as it seemed to me, need be so anxious to shine in the dispute as to hesitate at any risk that we, as individuals, might run—pledged as we were, by all our past history, to give to this one great question, the most frank and candid examination.

Regretting that you have not, thus far, been able to agree with me in the view that has been here presented, but hoping that you may yet do so, I remain, with great respect,

Yours, very truly,
HENRY C. CAREY.

W. C. BRYANT, ESQ.

PHILADELPHIA, *January* 24, 1859.

LETTER FIFTH.

DEAR SIR. — A fortnight since, you stated, on the authority of Dr. Wynne, that pauperism in the State of New York had assumed proportions relatively greater than those of England or of Scotland, and "largely in advance" of even the downtrodden and unhappy Ireland—your percentage being as high as 7.40, or more than double that of all the British Islands. When these facts were first presented to your sanitary society, they appeared to the managers "so startling as to lead them to doubt their accuracy, but," as you now have told your readers, "after the most careful scrutiny, they have not only adopted them, but given them currency as authority in their report." This "condition of facts" is one that, as you think, "calls for investigation by the proper authorities" — the alarming facts being presented for their consideration, that no less than forty-one per cent of the paupers are native born, and that the terrible disease of pauperism appears, "like the Canadian thistle, to have settled on our soil, and to have germinated with such vigor as," in your opinion, "to defy all half measures to eradicate it."

The pauper is necessarily a slave to those who feed and clothe him, and a slave, too, more abject, as a general rule, than are even the negroes of the South. White slavery thus grows steadily — furnishing good reason for the fears that you have here expressed. Equal cause for such alarm may be found, however, in the fact that the growth in the number and power of your millionaires keeps even pace therewith—growing inequality of condition here furnishing conclusive proof of decline in civilization and in freedom. How is it that such effects are being produced? Here is a great question, the solution of which may, as I think you will agree with me, be found in the following frightful facts, which have just now been given to the world, and which reveal a state of things well calculated to carry the alarm of which you speak, into the breast of every man who takes an interest in our future.

In your city there are 560 tenement houses, containing, by actual enumeration, 10,933 families, or about 65 persons each; 193 with 111 each; 71 others, with 140 each; and, finally, 29, that, as we are told, are the most profitable, and that have a total population of no less than 5449 souls, or 187 to each. What are the accommodations therein provided for the wretched occupants, is shown in the following picture:

> "One of the largest and most recently built of the New York 'barracks' has apartments for 126 families. It was built especially for this use. It stands on a lot 50 by 250 feet, is entered at the sides from alleys eight feet wide, and, by reason of the vicinity of another barrack of equal height, the rooms are so darkened that on a cloudy day it is impossible to read or sew in them without artificial light. It has not one room which can in any way be thoroughly ventilated. The vaults and sewers which are to carry off the filth of the 126 families have grated openings in the alleys, and doorways in the cellars, through which the noisome and deadly miasmata penetrate and poison the dank air of the house and the courts. The water-closets for the whole vast establishment are a range of stalls

without doors, and accessible not only from the building, but even from the street. Comfort is here out of the question; common decency has been rendered impossible; and the horrible brutalities of the passenger-ship are day after day repeated, —but on a larger scale. And yet, this is a fair specimen. And for such hideous and necessarily demoralizing habitations,—for two rooms, stench, indecency, and gloom, the poor family pays—and the rich builder receives—'*thirty-five per cent annually on the cost of the apartments!*'"

We have here the type of the system that is now more and more obtaining throughout the country. One financial convulsion follows another, each in its turn closing mills, mines, and furnaces, and thus destroying internal commerce. With every step in that direction, our people are more compelled to seek the cities, and thereby augmenting the power of the rich to demand enormous rents, usurious interest, and enormous prices for lots—their fortunes growing rapidly, while reducing thousands, and tens of thousands, to a state of pauperism and destitution.

Is it, however, among the occupants of tenement houses, alone, that we are to find the facts which indicate the decline to which I have referred — a decline which *must* be arrested, if we desire not to find the end of our great republic is anarchy and despotism? Look around you, and you will see that while our population is growing at the rate of a million a-year, there is a daily diminution in the demand for skilled labor to be applied to the conversion of raw materials into finished commodities — a daily diminution of that confidence in the future which is required for producing applications of capital to the development of our great natural resources — a daily increase in the necessity for looking to trade as the only means of obtaining a support — and a consequent increase in the *proportions* borne by mere middlemen to producers, causing increased demand for shops, and stores, and offices, in great cities, and enabling landlords to demand the enormous rents which now are paid. The poor tenant slaves and starves, and finds himself at length driven to bankruptcy because his profits, after his rent is paid, are not enough to enable him to feed and clothe his wife and children —he and they being then driven to seek refuge in a "tenement house," there to pay a rent that enables its rich owner to double his capital in almost every other year. The rich are thus made richer, while pauperism and crime advance with the gigantic strides you have described.

Is it, however, in your city alone that facts like these present themselves to view? That such is not the case, is shown in the following accurate sketch of the Philadelphia movement in the same direction, given, a few days since, by your neighbors of the *Tribune:*

"Poverty has reached higher places in society than the habitually destitute. Want of employment with many, and reduced wages with others, all growing out of the warfare of the government on the industry of the country, have made the present season one of peculiar hardship and suffering. Honest labor goes without its loaf, because no one can afford to employ it. Persons formerly able to support themselves decently, are now crowding for relief to our benevolent institutions. The visitors of the latter say there is more suffering now than ever before known. Clothing, food, and fuel are daily given in large amounts, and yet the cry of distress continues. The soup-houses have been compelled to reopen, and the charitable are taxed to the utmost. These suffering thousands are the victims of the scandalous misgovernment which has palsied the energies of so many branches of industry. They would gladly earn their bread, if permitted to do so."

All this is strictly true, and it would, as I think, be equally so if said of any other city of the Union — the whole presenting a picture of enforced idleness such as is not, at this moment, to be paralleled in any country claiming to rank as civilized. Pass next, if you please, outward from our cities, and look to the towns and villages of your own and other States — marking the fact, that the power of local combination is steadily diminishing, and that a majority of them have either become stationary, or have retrograded. Go almost where you may, you will find that the internal commerce of the country is gradually declining — that the services of mechanics are meeting less and less demand — that the dependence on great cities is increasing in the same proportion that those cities are themselves becoming more dependent upon Liverpool and Manchester—and that, as a necessary consequence, pauperism and crime are everywhere assuming proportions so gigantic as well to warrant you in the assertion that their growth is now so vigorous as to bid defiance to "all half measures of eradication."

How may they be eradicated? This is a great question; but to find the answer to it, we must first inquire to what it is that such a growth is due. Doing this, we find that the facts of the present day are in strict accordance with those observed in the years which followed the terrible free-trade crises of 1818–20 and 1837–40, as well as with those observed in Ireland, India, and all other countries subject to the British free-trade system. Looking next to the periods which followed the passage of the protective acts of 1828 and 1842, we find directly the reverse of this — pauperism then steadily declining, and the morals of the community improving as the societary movement became more regular. Turning thence toward Northern and Central Europe — toward that portion of the Eastern world which steadily resists the exhaustive British system — we find phenomena corresponding precisely with those observed in our own protective periods—the demand for human service becoming more and more regular in France and Germany, and the reward of labor growing with a steadiness that has rarely, if ever, been exceeded.—Such being the facts, is it not clear, my dear sir, that it is to the readoption of the protective policy we must look for effectual "measures of eradication." Believe me, nothing short of this will do.

The readers of the *Journal of Commerce* have lately been assured "that our institutions nurture the evils in question." Were that really the case, the evil would be so radical in character, that nothing short of revolution could produce the change desired. That, happily, it is not so, you will, I think, be well assured, when you shall have reflected that all our institutions find their foundation in local development, tending to the creation of thriving towns and villages in the neighborhood of our vast deposits of coal and lead, copper, zinc, and iron—there making a market for the products of agriculture, and giving occasion to the improvement of our great water powers, to be used in the conversion of food and wool into cloth, and food, coal, and ore, into knives and axes, steam-engines and railroad bars. — What now is the object for whose attainment our people seek protection? Is it not this very localization in which alone our institutions find their base? That such is the case is beyond all question, and therefore is it, that confidence in those institutions grows in every period of protection — pauperism and crime then declining in their proportions with each successive hour.

What, on the contrary, are the tendencies of the British free-trade system? Do not, under it, towns and villages decline, while great cities grow in size? Under it, does not internal commerce die away? Do not crises become more frequent and more severe? Does not paralysis take the place of that healthy action which is indicative of strong and vigorous life? Do not pauperism and immorality grow with the growth you have so well described? Does not confidence in the utility and permanence of our institutions diminish with each successive year? To all these questions, the answers must be in the affirmative—such phenomena having presented themselves at the close of every free-trade period, and the only difference between the present and the past being, that the current one has been so much longer, and that the disease has, therefore, become by far more virulent.

Looking at all these facts, is it not clear, my dear sir —

That the cause of disease is *not* to be found in the character of our institutions?

That, on the contrary, it *is* to be found in the pursuit of a policy that is at war with those institutions, and threatens their destruction?

That the remedy of which you are in search, is to be found in the readoption of the policy of protection, under which the country so much prospered in the periods closing with 1834 and 1847?

That in default of the adoption of this remedy, our institutions must decay and disappear?

That every real friend of freedom should aid in the effort to rescue his countrymen from the grasp of foreign traders in which they are now held?

That every movement in that direction must tend toward diminution in the quantity of wretchedness and crime? And, therefore,

That all who oppose such action — teaching British free-trade doctrines — are thereby making themselves responsible, before God and man, for the demoralization above described?

Repeating, once again, my offer to place your replies to these questions within the reach of a million and a half of protectionist readers, I remain, my dear sir,

Very respectfully, your obedient servant,

HENRY C. CAREY.

W. C. BRYANT, ESQ.

PHILADELPHIA, *January* 31, 1860.

LETTER SIXTH.

DEAR SIR.—Pauperism, slavery, and crime, as you have seen, follow everywhere in the train of the British free-trade system, of which you have been so long the earnest advocate. On the contrary, they diminish everywhere, and at all periods, when, in accordance with the advice of the most eminent European economists, that system is effectually resisted. We, ourselves, are now in the fourteenth year of a free-trade period—the result exhibiting itself, as you yourself so recently have shown, in a growth of all that has at length most seriously alarmed the very men to whose unceasing efforts that growth is due. That they should be so is not extraordinary, but their alarm would be much increased were they now to study carefully the condition of affairs at the end of the peaceful and quiet period of protection which closed with 1847, and then contrast with it the state at which we have arrived—following up the examination by asking themselves the question—Whither are we tending?—and seeking to find an answer to it. The picture that would then present itself to view, would so much shock them, that they would shrink back horrified at the idea of the fearful amount of responsibility they, thus far, had incurred.

That the facts are such as you have described them, cannot be denied. Do they, however, flow necessarily from submission to the British system, miscalled by its advocates the free-trade one—that one which seeks to limit all the nations of the world, outside of England, to the use of the plough and the harrow, and to a single market, that of England, for an outlet for their products? That they do so, you will, I am sure, be ready to admit, after having reflected that men become rich, free, strong, and moral, in the ratio of their power to associate and combine together, and that the object of the British system, for more than a century past, has been that of preventing combination, by frustrating every attempt at the production of that diversification of pursuits, without which the power of association can have little or no existence.

What was the system before the Revolution, and what were the measures recommended as being those most likely to promote the retention of the colonists in their then existing state of dependence, are fully shown in an English work on the then American Colonies, of much ability, published in London at the time when Franklin was urging upon his countrymen the diversification of their pursuits, as the only road towards real independence, and from which the following is an extract:

> "The population, from being spread round a great extent of frontier, would increase without giving the least cause of jealousy to Britain; land would not only be plentiful, but plentiful where our people wanted it, wher as, at present, the population of our colonies, especially the central ones, is confined; they have spread over all the space between the sea and the mountains, the consequence of which is, that land is becoming scarce, that which is good having all been planted. The people, therefore, find themselves too numerous for the agriculture, which is the first step to becoming manufacturers, that step which Britain has so much reason to dread"

Why, my dear sir, should Britain have so much dreaded combination among her colonial subjects? Why should she so sedulously have sought to disperse them over the extensive tracts of land beyond the mountains? Because, the more they scattered the more dependent they could be kept, and the more readily they could be compelled to carry all their rude products to a distant market, there to sell them so cheaply, as we are told by another distinguished British writer, "that not one-fourth of the product redounded to their own profit," as a consequence of which plantation mortgages were most abundant, and the rate of interest charged upon them so very high, as generally to eat the mortgagor out of house and home. In a word, the system of that day, as described by those writers, was almost precisely that of the present hour. For its maintenance, dispersion of the population was regarded as indispensable, and that it might be attained, the course of action here described was recommended:

> "Nothing can therefore be more politic than to provide a superabundance of colonies to take off all those people that find a want of land in our old settlements; and it may not be one or two tracts of country that will answer this purpose: provision should be made for the convenience of some, the inclination of others, and every measure taken to inform the people of the colonies that were growing too populous, that land was plentiful in other places, and granted on the easiest terms; and if such inducements were not found sufficient for thinning the country considerably, government should by all means be at the expense of transporting them. Notice should be given that sloops would be always ready at Fort Pitt, or as much higher on the Ohio as is navigable, for carrying all furniture without expense, to whatever settlement they chose, on the Ohio or Mississippi. Such measures, or similar ones, would carry off the surplus of population in the central and southern colonies, which have been and will every day be more and more the foundation of manufactures."

Having studied these recommendations in regard to the maintenance of colonial dependence, I will ask you next to look with me into the working of the British free-trade system, and satisfy yourself that its advocates have been mere instruments of our foreign masters — closing our mills, furnaces, and factories, retarding the development of our great mineral treasures, preventing the utilization of our vast water powers, and in this manner driving our people to the West, in strict accordance with the orders of those British traders against whom our predecessors made the Revolution.

In 1815, the receipts from sales of public lands amounted to $1,287,000 This gives a measure of the then existing tendency toward dispersion. Five years later, when the free-trade system had paralyzed the industry of the country, they had risen to $3,274,000 — the customs revenue of the same year yielding more than $20,000,000. The government had seemed to be rich, and for the reason that it was "burning the candle at both ends" — paralyzing domestic commerce, and driving into the wilderness the people to whose efforts it had been used to look for its support. Free-trade excitement having been followed by paralysis, we find the customs revenue to have fallen, in 1821, to $13,000,000 — the land revenue at the same time gradually declining until, in 1823, it stood at less than a single million. As a consequence, we see the treasury to have been so much embarrassed as to be under the necessity of contracting loans, in the period from 1819 to 1824, to the extent of no less than $16,000,000. As usual, here and everywhere, poverty, distress, and debt, to both the people and the government, had followed in the train of the teachings of the men who had desired a readoption of that dispersive policy recommended by British writers, as a means of prolonging colonial dependence.

Turn now, if you please, my dear sir, to the picture presented by the protective tariff of 1828, and mark the steadiness of customs receipts, and the gentle and quiet growth of the receipts from lands, as follows:

	Customs.	Land Sales.	Total.
1829	$22,681,000	$1,517,000	$24,198,000
1830	21,920,000	2,329,000	24,249,000
1831	24,204,000	3,210,000	27,414,000
1832	28,465,000	2,623,000	31,068,000
1833	29,032,000	3,967,000	32,999,000

In this period, every man could sell his labor, and could therefore purchase the products yielded to the labor of others. Every one being thus enabled to contribute his share to the support of the government, the revenue had become so large and steady that the national debt was then extinguished.

Pass on now, if you please, to the time when the approaching annihilation of protection had stopped the building of mills and the opening of mines, and had recommenced to compel our people to scatter themselves over the great West, and find the following figures:

	Customs.	Land.	Total.
1835	$19,391,000	$14,757,000	$34,148,000
1836	23,409,000	24,877,000	49,286,000

Once again, the government was "burning the candle at both ends" —annihilating the power of combination, and thus diminishing the productive forces of the country. As before, it fancied itself rich, and acted accordingly—the expenditure of this period almost trebling that of Mr. Adams's administration, then but a few years past. As a consequence, bankruptcy of the people and of the banks was followed by disappearance of the power to contribute to the support of government, the customs duties of 1841 having but little exceeded $14,000,000, and the land sales having fallen to $1,300,000 — giving a total of less than $16,000,000, not even one-third of that of 1836. Such having been the case, need we wonder that the poverty of the government should have exhibited itself in the form of irredeemable notes, and in vain efforts to effect a loan in any part of Europe. Having destroyed our domestic commerce, and thus greatly diminished the productive power of the country, our foreign free-trade friends now turned their backs upon us — denouncing our whole people as rogues and swindlers.

Once again, in 1842, we find the readoption of the policy of resistance to British domination, and once again we meet the tranquillity and peace of the period which found its close in 1834, as is shown in the following figures:

	Customs.	Land.	Total.
1843–4	$26,183,000	$2,059,000	$28,242,000
1844–5	27,508,000	2,077,000	29,585,000
1845–6	26,712,000	2,694,000	29,406,000
1846–7	23,747,000	2,498,000	26,245,000

Again, as always under protection, there was economy in the administration of the government. Again, the necessity for contracting loans had passed away. Again, too, the foreign debt of the free-trade period was being diminished; and why? Because, once again, that colonial policy which looked to the dispersion of our people had been rejected.

Not content with the lesson that had thus been taught, the protective policy was again abandoned, and once again we find the colonial system re-established, the results exhibiting themselves in the following remarkable figures, indicating the extent to which the government has recently been repeating the experiment of "burning the candle at both ends":

	Customs.	Land Sales.	Total.
1853–4	$64,224,000	$8,470,000	$72,694,000
1854–5	53,025,000	11,497,000	64,522,000
1855–6	64,022,000	8,917,009	72,939,000

As before, in every free-trade period, the government was becoming daily richer, while the productive power was declining from day to day. Expenditures, of course, increased — having reached, for those three years, exclusive of interest upon a large public debt, an average of $56,000,000, or nearly five times more than they had been thirty years before.

Having thus laid the foundation for a crisis, need we wonder that that crisis came, leaving the government, but recently so rich, in a state of actual bankruptcy, and wholly unable to meet the demands upon it? Certainly not. It was precisely what has happened in every British free-trade country of the world, and in every free-trade period of our own. In each and every one, our people had been driven out from the older States, and the government had been enabled to take from them, in payment for public lands, the mass of their little capitals, leaving them to borrow at three, four, or five per cent, *per month*, of the wealthy capitalist, all that had been required to pay for their improvements — and finally leaving them in the hands of the sheriff, under whose hammer their property had sold so cheaply as almost to forbid the purchase of lands that were as yet public and unimproved. The receipts from that source are now estimated at $2,000,000, and thus have we returned to a point that is really lower—our numbers being considered—than that at which we arrived at the close of the British free-trade speculations of 1817–18 and 1836–39.

Looking at all these facts, my dear sir, is it not clear —

That the system which you advocate, and which has usurped the free-trade name, is but a return to that colonial one described in the passages above submitted for your perusal?

That it has for its object the destruction of the power of combination, and consequent diminution of the ability to produce commodities in which to trade?

That, as a necessary consequence, it tends to produce a growing dependence of both the people and the State upon foreign traders and foreign bankers?

That to its present long continuance is due the fact, that British journalists now speculate upon "the recovery of that influence which eighty years ago England was supposed to have lost"?

That the tendency toward recolonization is growing with every hour, and that with each successive one, we are more and more becoming mere tools in the hands of British traders?

That, therefore, it is the duty of every friend of freedom and independence to lend his aid to the re-establishment of that protective system under which the country so much advanced in prosperity and power, in the periods which closed in 1816, 1834, and 1847?

Repeating the proposition, already so often made, to have your answers to these questions placed before a million and a half of protectionist readers, I remain, my dear sir, with great respect,

Your obedient servant,
HENRY C. CAREY.

W. C. BRYANT, ESQ.

PHILADELPHIA, *February* 7, 1860.

LETTER SEVENTH.

DEAR SIR.—The essential object of the British system, as you have already seen, is the suppression, in every country of the world, outside of Britain, of that diversity of human employments, without which there can be made no single step toward freedom. The more that object can be achieved, the more must other nations be compelled to export their products, and in their rudest shape, to Britain — doing so in direct opposition to the advice of Adam Smith.—This is what is called British free trade, the base of which is found in that annihilation of domestic commerce, whose effects exhibit themselves in the poverty, wretchedness, and crime of India, Ireland, Turkey, and other countries subjected to the system, all of which are so well reproduced among ourselves in every British free trade period. Real freedom of commerce consists in going where you will — exporting finished commodities to every portion of the world. Seeking that freedom, the most eminent French economists, as you have already seen, have held that it was "only the accomplishment of a positive duty" for governments "so to act as to favor the taking possession of all the branches of industry whose acquisition is favored by the nature of things," and that when they failed to do so, they made "a great mistake."

In full accordance with the idea thus expressed, the French Government has adhered to the policy of protection with a steadiness without example—the great result exhibiting itself in an export of the products of agriculture, in a finished form, such as can nowhere else be found. Thus protecting domestic commerce, the government finds itself repaid in the power to obtain revenue from a foreign commerce that has quadrupled in the short space of thirty years — the $100,000,000 of 1830 having been replaced by the almost $400,000,000 of each of the last three years — the population meantime having remained almost stationary. As a consequence of this the reward of labor has much increased, the people have become more free, and the State has grown in influence with a rapidity unknown elsewhere.

That it is to industrial development we are to look for the creation of a real agriculture, can now be no longer doubted—the Emperor having, in his recent letter, told his finance minister, that "without a prosperous industry agriculture itself remains in its infancy;" that "it is necessary to liberate industry from all internal impediments," and thereby "improve our agriculture;" and that in so doing the government will be "creating a national wealth" and diffusing "comforts among the working-classes."

Nothing more accurate than this could have been said by the great Colbert himself—the man to whose labors France was first indebted for the relief of her domestic commerce from the pressure of internal restrictions and external warfare. Compare it, however, I pray you, with our policy, erroneously styled the free trade one, every portion of which seems to have had for its object the creation of impediments to domestic commerce, and the subjugation of our farmers to the tyranny of foreign traders. Look, if you please, to the almost endless series of laws having for their object the compulsory use of gold and silver, in a country which exports the precious metals to such extent as to have driven our people, throughout a large extent of country, to the payment of three, four, and five per cent per month, for the use of the small amount of money which, even at such rates, can be obtained. Turn next to the postage law proposed by your Southern free trade friends, at the last session, by means of which the charge for the transmission of letters was to be almost doubled. Study then the constant succession of free trade crises, by means of which our domestic commerce has been so often paralyzed. Pass on, and find the closing of furnaces and mills, followed by constant increase of difficulty in the sale of labor — constantly growing pauperism and crime — and as constant increase of that dependence upon foreign markets which has, in every other country, been attended by growth of slavery among men, whether black, brown, or white. Look where you may, you will find the system of which you have been the steady advocate, leading to the adoption of measures directly opposed to the teachings of Adam Smith and those of his most distinguished successors, here endorsed by Louis Napoleon.

Turn next to another passage of the imperial letter, and find in it that agriculture must have "its share in the benefits of the institutions of credit," and that the government must "devote annually a considerable sum to works of drainage, irrigation, and clearage." Having read this, study, if you please, the proceedings of your free trade friends, constantly engaged as they have been, in the effort to destroy the credit of banks, and to prevent the substitution of paper for gold — and thus so far destroying confidence, that tens of millions of specie are now hoarded in private vaults by men who dare not spend it, and fear to lend it at any interest whatsoever.—Turn, thence, to the condition of our treasury, and contrast it with that of France — the latter proposing to lend money to the people at low interest, while the former is constantly in the market as a borrower, and at higher rates of interest than are paid by any government that claims to rank as civilized.

Pass next to manufactures, and find the Emperor telling his minister that, "to encourage industrial production, he must liberate from every tax all raw material indispensable to industry," and that he must "allow it, exceptionally, and at a moderate rate, as has already been done for agriculture, the funds necessary to perfect its raw material"— meaning thereby, as I understand it, further grants of aid similar to those which have resulted in improving the breed of sheep, and in giving to French agriculture many products not native to the soil, and yet essential to the perfection of manufactures.—Having studied this, allow me next to request that you will examine the teachings of the author of the tariff of 1846—the tariff you have so steadily admired—and find him protesting against the imposition of "higher duties upon the manufactured fabric than upon the agricultural product out of which it is made." Examine, then, his tariff, and find in it a systematic effort at the discouragement of industrial production by the imposition of heavy duties on the raw material of manufactures — sometimes so great. even, as to exceed those paid by the finished commodities for the production of which they were needed to be used. That done, look next at the repeated efforts of private individuals to improve our breed of sheep, and at the ruin that has been the consequence — that ruin having resulted necessarily from changes of policy that have closed our factories and sent merinos to the slaughter-house. Look in what direction you may, you will find that, with the exception of the brief and brilliant period of the tariff of 1842, the men engaged in the development of our great mineral treasures, and those engaged in introducing, extending, and perfecting works of conversion, and thereby giving the farmer a market for his products, have been regarded as enemies, deserving only of the hatred of the government; as men for the accomplishment of whose ruin fraud and falsehood might justly be resorted to — the holiness of the end sanctifying the employment of any means that might be used.

Adopting these ideas, the Emperor assures his minister that he will find in them the road toward real freedom of trade — the great extension of commerce producing a necessity for "successive reductions of the duty on articles of great consumption, as also the substitution of protecting duties for the prohibitive system which limits our commercial relations."— Having read this, do me the favor to turn to the period of the protective tariff of 1828, and find there precisely the state of things here described — the great increase of revenue having then produced a necessity for abolishing the duties that had always thus far been paid by tea and coffee. Look, next, to the working of that dispersive system, which scatters our population over the continent, and destroys the power of combination — at one moment filling the treasury to repletion by means of custom-house receipts and sales of public lands, and then leaving it bankrupt, to seek, as was done in 1842, and is now being done, for loans abroad, to keep the wheels of government in motion until the tariff can be raised.

The policy of the French Government was accurately defined, some three or four years since, by the President of the Council, and there is nothing in the Emperor's letter that is not in strict accordance with the determination then expressed, as follows:

> "The Government formally rejects the principle of free trade, as incompatible with the independence and security of a great nation, and as destructive of her noblest manufactures. No doubt, our customs-tariffs contain useless and antiquated prohibitions, and we think they must be removed. Protection, however, is necessary to our manufactures. This protection must not be blind, unchangeable, or excessive; but the principle of it must be firmly maintained."

We are told, however, that a treaty has been signed, in which there are great advances toward freedom of trade. If so, it does but prove the perfect accuracy of M. Chevalier, who is said to have been the French negociator, in regarding protection of the domestic commerce as the real and certain mode of reaching freedom of intercourse with foreign nations. "In every country," as he has told his readers, "there arises a necessity for acclimating among its people the principal branches of industry"—agriculture alone becoming insufficient. "Every community, considerable in numbers, and occupying an extensive territory," is therefore, as he thinks, "well inspired, when seeing to the establishment, among its members, of diversity in the modes of employment. From the moment that it approaches maturity, it should seek to prepare itself therefor, and when it fails to do so, it makes a great mistake." This "combination of varied effort," as he continues, "is not only promotive of general prosperity, but it is the condition of national progress." Elsewhere, he says, that "governments are, in effect, the personification of nations, and it is required that they should exercise their influence in the direction indicated by the general interest, properly studied and carefully appreciated." Therefore does he "regard as excellent, the desire of some of the most eminent men of the principal nations of Europe to establish around them the various branches of manufactures."

Such being the latest views of the present leading free-trade writer of France, we may, I think, feel quite assured that what he may now have done, is only what he has regarded as warranted by the advanced position occupied by French manufactures — that position having been attained by means of a steady pursuit of the protective policy. It is the point at which we have ourselves arrived in reference to every branch of manufacture that has found itself efficiently protected in the domestic market, whether by the particular circumstances of the case, or by aid of revenue laws. More steadily than to any other, was protection given to the production of coarse cottons, and hence it is, that we now export them. The newspaper is protected by locality, and that protection is absolute and complete; and hence it is, that we have now the cheapest journals in the world. The piano manufacture is protected by climate; and therefore it is, that it has attained a development exceeding that of any other country. Had iron been as well protected, our annual product would count by millions of tons, and we should be now exporting, in the forms of iron, and manufactures of iron, a quantity of food twice greater than that we send to Europe. All our experience shows, that the more perfect the security of the manufacturer in the domestic market, the greater is the tendency to that increase of competition needed for enabling us soon to commence the work of supplying the exterior world.

In your notice of the changes now proposed in the French commercial system, you speak in terms of high approval of Mons. Chevalier, as a "zealous adversary of commercial restrictions," but have you ever, my dear sir, taught the doctrines of the teacher of whom you now so much approve? Have you ever told your readers,—

That "every community is well-inspired when seeing to the establishment among its members, of diversity in the modes of employment"?

That "combination of varied effort is the condition of national progress"?

That "every nation, therefore, owes it to itself to seek the establishment of diversification in the pursuits of its people, as Germany and England have already done in regard to cottons and woollens, and as France has done in reference to so many, and so widely-different kinds of manufacturing industry"?

That "governments are in effect the personification of nations, and should exercise their influence in the direction of the general interest, properly studied and fully appreciated"? And, therefore

That "it is only the accomplishment of a positive duty so to act, at each epoch in the progress of a nation, as to favor the taking possession of all the branches of industry whose acquisition is authorized by the nature of things"?

Unhappily, such have not been the teachings of the *Post*. Had they been such — had your journal sustained the policy advocated by Mons. Chevalier, as here established at the date of the fearful financial crisis of 1842, should we not, even at this time, have been far advanced toward that position in which we could feel that protection would cease to be required? Unfortunately, it has taught the reverse of this — the results exhibiting themselves in a constant succession of financial crises, and paralyses of the most fearful kind — in repeated bankruptcies of the treasury, of banks, railroad companies, and merchants — in an almost entire destruction of confidence — in the subjugation of the poor borrower to the rich money-lender, to an extent unparalleled in any civilized country of the world — and in a growth of pauperism, slavery, and crime, that must be arrested if we would not see a perfection of anarchy established as being the condition of our national existence.

Had you and others taught the doctrines of M. Chevalier, would such be now the state of things in a country so richly endowed by nature as our own?

Not having taught them, and such having been the results of your past teachings, is it not now your duty, as a man, as a lover of liberty, and as a Christian, to study anew the doctrines of the economist you have so much commended, and satisfy yourself that you have been steadily advocating the extension of slavery while desiring to be the advocate of freedom?

Hoping that you may conclude to furnish answers to these questions, and reiterating the assurance that they shall have the largest circulation among the advocates of protection, I remain, my dear sir,

Yours, very truly,
HENRY C. CAREY.

W. C. BRYANT, ESQ.

PHILADELPHIA, *February* 14, 1860.

LETTER EIGHTH.

DEAR SIR. — For the maintenance of colonial dependence, and for the perpetuation of power to compel the colonists to make their exchanges in a foreign market from which they were allowed to carry away but one-fourth of the real value of their products, it was, as you have already seen, held that they should be led to disperse themselves throughout the West — thereby almost annihilating that power of association which, as then was feared, might lead to such increase of wealth and strength as would forward the cause of independence. For the accomplishment of that great object, the aid of government was then invoked — its help being needed for providing lands and means of transportation. Since then, the British free trade system has been employed to do the work, its mode of action being that one so well described in a Parliamentary document now but a few years old, the following extract from which is here submitted for your perusal:

> "The laboring classes generally, in the manufacturing districts of this country, and especially in the iron and coal districts, are very little aware of the extent to which they are often indebted for their being employed at all to the immense *losses* which their employers voluntarily incur in bad times, in order *to destroy foreign competition, and to gain and keep possession of foreign markets.* Authentic instances are well known of employers having in such times carried on their works at a loss amounting in the aggregate to three or four hundred thousand pounds in the course of three or four years. If the efforts of those who encourage the combinations to restrict the amount of labor and to produce strikes were to be successful for any length of time, the great accumulations of capital could no longer be made *which enable a few of the most wealthy capitalists to overwhelm all foreign competition in times of great depression*, and thus to clear the way for the *whole trade* to step in when prices revive, and to carry on a great business before *foreign* capital can again accumulate to such an extent as to be able to establish a competition in prices with any chance of success. *The large capitals of this country are the great instruments of warfare against the competing capital of foreign countries*, and are *the most essential* instruments now remaining by which our manufacturing supremacy can be maintained; the other elements — cheap labor, abundance of raw materials, means of communication, and skilled labor—being rapidly in process of being equalized."

The system here so admirably described, is very properly characterized as being a "warfare;" and it may now be proper to inquire for what purposes, and against whom, it is waged. It is a war, as you see, my dear sir, for cheapening all the commodities we have to sell, labor and raw materials—being precisely the object sought to be accomplished by that "Mercantile System," whose error was so well exposed in the *Wealth of Nations*. It is a war for compelling the people of all other lands to confine themselves to agriculture — for preventing the diversification of employments in other countries — for retarding the development of intellect — for palsying every movement, elsewhere, looking to the utilization of the metallic treasures of the earth—for increasing the difficulty of obtaining iron—for diminishing the demand for labor—for doing all these things at home and abroad — and for, in this manner, subjecting all the farmers and planters of the world to the domination of the manufacturers of Britain.

How our government co-operates in this warfare upon its people, and in the promotion of the great work of recolonization, will readily, my dear sir, be understood by all who shall study the British prescription given in a former letter, and shall then compare it with the course of action here, under your advice, so steadily pursued — expending, as we have done, and now are seeking to do, enormous sums, and even carrying on distant wars, for the acquisition of further territory — making large grants of land for facilitating the construction of roads and the dispersion of our people—forcing millions of acres upon the market, and then rejoicing over the receipts, as if they furnished evidence of increasing strength, and not of growing weakness — wasting the proceeds in political jobs of the most disgraceful kind, and in this manner producing financial crises that close our mines, furnaces, and mills, and drive our people to seek a refuge in the wilderness, there to pay the speculator treble price for land — and thus enabling him to demand three, four, or five per cent *per month*, for the use of some small amount of capital to aid in clearing the land thus purchased, and in erecting the little dwelling.—The house built, and the farm commenced, next comes the sheriff, and by his aid the poor colonist is now driven to seek a new refuge in some yet more distant territory — in full accordance with the desires of those of our free trade friends abroad, who see in every attempt at combination a step toward manufactures — "that step which Britain has so much cause to dread."

That such are the facts presented by our records cannot be denied. Having studied them with the attention they demand, you will, my dear sir, be in a position to answer to yourself, even if not to me, the question — Does the history of the world, in any of its pages, exhibit evidence of the existence elsewhere of so powerful a combination for the promotion of that pauperism and crime, whose extraordinary growth you have so well described? So far as my knowledge of history extends, it warrants me in saying, that no such evidence can be presented.

The poor colonist, thus driven out, suffers under a tax for transportation that, if continued, must for ever keep him poor. His need for better roads is great, but of power to assist himself he has none whatever. His distant masters may, perhaps, be induced to grant him help — knowing, as they do, that each new road will act as a feeder of their coffers, while aiding in the destruction of the powers of the soil, in the further scattering of their subjects, and in more firmly establishing their own security against the adoption of any measures tending to the promotion of industrial independence. Lands are now mortgaged, and at enormous rates of interest, as the only mode of obtaining the means with which to commence the road. The work half made, it becomes next needful to raise the means with which to finish it, and bonds are now created, bearing six, eight, or ten per cent interest, to be given at enormous discounts, in exchange for iron so poor in quality that it would find a market nowhere else — its wear and tear being such as must prove destructive to its unhappy purchaser. Under such circumstances the road fails to pay, and it passes into the hands of mortgagees, leaving those by whom the work was started, poorer than before — their lands being heavily mortgaged, and they themselves being at last driven out of house and home. Such is the history of most of the persons who have contributed toward the commencements of the road and canal improvements of which we so much boast, and such the history of the roads themselves — each and every financial crisis causing further absorption of American railroad property by English bondholders, as has been already done in reference to the Reading, Erie, and so many other roads.

Must this continue to be so? It must, and for the reason, that our whole policy tends toward the annihilation of local action and domestic commerce—that commerce in the absence of which railroads can never be made to pay interest on the debts to the contraction of which their owners have been driven. The greater their dependence upon distant trade, the more imperative becomes, from day to day, the necessity for fighting for it — for adopting measures tending to the further destruction of local traffic — and for thus rendering more and more certain the ultimate ruin of nearly every railroad company of the Union. How is it with yourselves — with the people of your State? But a short time since, we were assured that a barrel of flour could be transported to your city from Rochester at less cost than from Utica — from Buffalo more cheaply than from Rochester — from Cleveland for less than from Buffalo — and from Chicago more cheaply than from Cleveland — your railroad companies thus offering large bounties on the abandonment of the soil of the State, and thereby aiding our foreign masters in the accomplishment of the dispersion of our people. So is it in this State of Pennsylvania — through freight being carried at less than cost, while domestic commerce is taxed for the payment of losses, interest, salaries, and dividends.—In all this there is a tyranny of trade that has at length become so entirely insupportable, that the farmers of the older States are now clamorous for measures of relief — urging upon their respective legislatures the adoption of laws in virtue of which they shall be relieved from a tax of transportation that is destroying the value of their land and labor, and that must result in the crippling of all the Atlantic States, as well as of some of the older of their Western neighbors.

To such demand on the part of your farmers, you, however, reply, that it would be "legislation against trade" — that "nothing could be more impolitic than this process" — that

> "The citizens of Baltimore and Philadelphia, if they should think it decorous and politic to do such a thing, might well pass a public vote of thanks to the legislature which would enact such a law. The moment it is passed, all the through trade, all the vast accumulations of the produce of the West which now find their way to New York by the New York Central Railroad, will desert it. When the Governor of New York signs the bill preventing free competition between our Central Railroad and its more southern rivals, he signs a bill for the relief of Philadelphia and the aggrandizement of Baltimore, and there will be great rejoicing in those cities, whether it be publicly expressed or not. . . . . . . The people of Maryland and Pennsylvania make no laws to prevent the competition of their railways with ours. They are satisfied to let those who manage them draw off as great a proportion of the freight from our channels of transportation as they are able, and they will be very glad of our co-operation in this work.

> Baltimore has invested sixty millions of dollars in the railways which centre in that flourishing city. Whether these are profitably managed or not, is not so much the question with those who contribute the money, as whether the effect shall be to build up Baltimore as a great mart, and make Maryland the thoroughfare of an active trade. Baltimore is the commercial gate of the South; her ambition is to become that of the West also. No measure could be better calculated to conspire with this ambition, and further this intent, than the *pro rata* freight bill now before our legislature. We earnestly hope that those members who have been induced to favor it will give the subject a more careful consideration, and spare us from an enactment the error of which will be but too deplorably evident before another legislature can assemble."

In all this, I find no single word in favor of the farmers and landholders of your State — those people upon whom you so long have urged consideration of the advantage that must result to them from destroying internal commerce and readopting the colonial system against which our predecessors made the Revolution. Had you now occasion to talk to *them*, you would probably say — "Gentlemen farmers, you are entirely in error in supposing that you have any interests that require to be considered. The more you can be forced to become dependent upon Britain, the more rapid will be the growth of cities like our own. That the dependence may be increased it is needed that we close the mills, mines, and furnaces of the Union; that we render the laborer more and more dependent upon the capitalist; that financial crises continue to increase in number and intensity; that the rate of interest be maintained so high as to ruin farmers, manufacturers, and railroad companies, while increasing the number of millionaires; that pauperism and crime continue to increase, with constant diminution in the power to purchase the products of the farm; that the productiveness of your land continue to diminish as it now is doing; that our people be dispersed; and that railroads continue to co-operate with the government in the effort to destroy that power of association to which, alone, should we look, did we desire to witness your growth in strength, wealth, and power. The heavier your taxation, the higher will be the prices of our city lots."

That the British free trade system is one of universal discord is proved by the commerce of India, Ireland, Turkey, and all other countries subject to it, and by our own, in every period of its existence. That opposition to it is productive of harmony, force, and strength, is shown in the movements of Germany, France, and every other country that looks to the development of internal commerce as furnishing the real base of an extended intercourse with other nations. Turn, if you please, to the recent letter of the French Emperor, and find him telling his finance minister that —

> "One of the greatest services to be rendered to the country is to facilitate the transport of articles of first necessity to agriculture and industry. With this object, the Minister of Public Works will cause to be executed as promptly as possible the means of communication, canals, roads, and railways, whose main object will be to convey coal and manure to the districts where the wants of production require them, and will endeavor to reduce the tariffs by establishing an equitable competition between the canals and railways."

Compare with this the teachings of the *Post*, and you will find the latter saying directly the reverse—exhibiting the advantage of sending to England all our products in their rudest forms, thus losing the manure, and driving our people to the West, there to find a constant increase in the necessity for roads, accompanied by as constant decrease in the power to make them.—That done, allow me to ask your attention to the steady growth of harmony in the interests of railroad owners, farmers, and manufacturers, exhibited in the following figures representing the receipts of French railroads in recent years:

	Total Receipts. Francs.	Receipts per Kilometer. Francs.
1857	311,608,012	45,259
1858	335,239,015	41,398

The year following the great financial crisis exhibits, thus, a larger receipt than that by which it had been preceeded. — Look now to the receipts of the first half of the two past years, as follows, and mark the great increase that has since been made —

	Total Receipts. Francs.	Receipts per Kilometer. Francs.
1858	148,955,578	19,305
1859	181,095,064	20,699

Compare, I pray you, my dear sir, the movement thus indicated with that exhibited among ourselves in the past three years, and you will have little difficulty in comprehending why it is, that our railroad companies, like our farmers and manufacturers, our miners and our shipowners, are now being ruined — the $1200,000,000 expended in their construction having at this moment a market value that can scarcely exceed, even if it equal, $400,000,000.

Looking at all these facts, is it not certain, my dear sir, —

That the free trade system of which you are the advocate is one of universal discord?

That it tends to the involvement of men of all pursuits in life, and of the Union itself, in one great and universal ruin? And, therefore,

That it is to the interest of the railroad proprietor to unite with the farmer in promoting the adoption of measures having for their object the development of our mineral wealth, the creation of a real agriculture, and the extension of domestic commerce?

Hoping for replies to these questions, and ready to give them circulation among millions of protectionist readers, I remain, with much respect,

Yours, very truly,
HENRY C. CAREY.

W. C. BRYANT, ESQ.

PHILADELPHIA, *February* 20, 1860.

LETTER NINTH.

From the Evening Post, Tuesday, February 21st.

"An Attempt to Revive an Old Abuse.—It is intimated, we know not on what authority, that the Committee of Ways and Means are about to report a bill to the House of Representatives, with the view of carrying into effect Mr. Buchanan's recommendation to return to the old system of specific duties.

"If this be so, our aged President, who has been worrying about specific duties ever since he took the Executive chair, will undoubtedly enjoy a slight sense of relief. For our part, we should be perfectly willing to see him gratified in this respect, if the measure suggested did not imply an impeachment of the good sense of the committee by whom the bill is said to be preparing, and if the return to specific duties were not simply a device to increase the burdens of the people. The mill-owners are not satisfied with their profits; they do not make money enough by selling their merchandize, and they call for specific duties to enable them to extract a more liberal revenue from those with whom they deal.

"This is the plain English of the clamor for specific duties. The consumers do not want them, do not ask for them, are satisfied with the present method of collecting the duties by a percentage on the value of the goods imported; the only change they wish for is that the duties should be made lighter. Only the fraternity of mill-owners, shareholders in manufacturing corporations, capitalists who are anxious, as all capitalists naturally are, to make what they possess more productive than it now is, ask for the imposition of specific duties. They have not the face to ask for a direct increase of the duties as they now stand; they are afraid to demand that a tax of fifteen per cent on imported merchandize shall be raised to twenty per cent, or a duty of twenty to one of twenty-five or thirty. The country would cry shame on any such change. They, therefore, get at the same thing indirectly; they wrap up the increase of taxation in the disguise of specific duties; the consumer is made to pay more, but being made to pay it under the name of specific duties, the increase is of such a nature that it will be apparent only to an expert mercantile calculator. The consumer finds that the commodity he needs bears a higher price, but he is mystified by the system of specific duties, and does not know that the increase of price is a tribute which he is forced to pay to the mill-owners.

"That class of men who own our manufacturing establishments have had possession of the legislative power of the country long enough. It is quite time that the committees of Congress, and those who vote on the schemes laid before them by those committees, should begin to consult the wishes of the people. It is high time that they should begin to ask, not what will satisfy the owners of forges, and foundries, and coal-mines, and cotton-mills, and woollen-mills, but what is just and fair to those who use the iron, and warm their habitations with the coal, and wear the woollens and the cottons. This is not done; the lords of the mills speak through the mouth of the President of the Republic and call for specific duties, and now we are told that they are dictating a bill to the Committee of Ways and Means.

"Great apprehensions have been entertained by many persons, both here and abroad, lest minorities should be oppressed in our country by unjust laws passed in obedience to the demand of the mass of the people. We received, not long since, a letter from England, in which great anxiety was expressed lest this should lead to the downfall of our government. Hitherto, however, the people in this country have been oppressed by powerful and compact minorities. Laying aside the fact that small classes of men, united by a very perfect mutual understanding, and wielding large capitals, too often domineer in our State legislatures, it is certain that the revenue laws of this country have, for many years past, been framed by a minority. The mill-owners have dictated the whole system of indirect taxation, ever since the last war with Great Britain, and the utmost we have been able to obtain in the struggle against their supremacy has been some mitigation, some relaxation of the protective system — never a complete release from it. The oligarchy of slaveholders, scarcely more numerous than that of the mill-owners, and equally bound together by a common interest and concerted plans of action, have held the principal public offices, interpreted the laws, and swayed the domestic policy of the country with a more and more rigorous control for many years past. We are engaged in a struggle with that oligarchy now; but we have no idea of allowing the other oligarchy of mill-owners, while we are thus engaged, to step in and raise the tribute-money we pay them to the old rates. What we have wrested from their tenacious grasp we shall keep, if possible.

"Other governments are breaking the fetters which have restrained their peaceful intercourse with each other, and adopting a more enlightened system — a system which is the best and surest pledge of enduring amity and peace between nations. England and France are engaged in putting an end to the illiberal and mutually mischievous prohibitive system in their commerce with each other. It will dishonor us in the eyes of the civilized world if we, who boast of the freedom of our institutions and the wisdom of our legislation, should in the meantime be seen picking up the broken fetters of that system, and putting them into the hands of artisans at Washington to forge them again into handcuffs for our wrists. If any such bill as is threatened should be introduced into Congress by the Committee of Ways and Means, we trust that the Republicans of the Western States will be ready to assist in giving it its death-blow. If it do not meet its quietus from them, it will probably be rejected, as it will richly deserve, in the Senate, and Mr. Buchanan will never have the satisfaction of giving it his signature."

DEAR SIR:—You have been invited to lay before your readers the arguments in favor of such a change in our commercial policy as should tend to produce diversification in the demand for human service, thereby increasing the power of association and the productiveness of labor, while relieving our farmers from a tax of transportation ten times more oppressive than all the taxes required for the support of European fleets and armies — that invitation having been given in the hope that by its acceptance you would make manifest your willingness to permit your readers to see both sides — your entire confidence in the accuracy of the economical doctrines of which you have been so long the earnest advocate — and your disposition to espouse the cause of truth, on whatsoever side she might be found. That you should have failed to do this has been to me a cause of much regret, having hoped better things of a lover of freedom like yourself. Resolved, however, that *my* readers shall have full opportunity to judge for themselves, I now, as you see, place within the reach of the great mass of the protectionists of the Union, the reply that you have just now published, sincerely hoping that they may give to it the most careful study, and thus enable themselves to form a correct estimate of the sort of arguments usually adduced in support of that British free trade policy which has for its object the limitation of our farmers to a single and distant market for their products — the maintenance of the existing terrific tax of transportation — and the ultimate reduction of our whole people to that state of colonial dependence from which we were rescued by the men who made the revolution.

As presented by me, the question we are discussing is not of the prices of cotton goods, but of human freedom, and in that light it is that I have begged you should consider it. In support of that view, I have urged upon your consideration the facts, that every British free trade period has closed with one of those fearful crises whose sad effects you have so well depicted; that crises have been followed by paralyses of the domestic commerce, destroying the demand for labor; and that, as a necessary consequence, each such period has been marked, on one side, by a great increase in the number of millionaires, and on the other, by such a growth of pauperism that that terrible disease appears now, to use your own words, "like the Canadian thistle, to have settled on our soil, and to have germinated with such vigor, as to defy all half measures to eradicate it." Further, you have been asked to look to the facts, that the reverse of all this has been experienced in every period of the protective system — domestic commerce having then grown rapidly, with constant increase in the demand for labor, and as constant augmentation in the regularity of the societary action, in the freedom and happiness of our people, in the strength of the government, and in the confidence of the world, both at home and abroad, in the stability of our institutions. Such is the view that has been presented to you, in the hope and belief that to a lover of freedom like yourself it would be one of the highest interest, and that it would be met and considered in a manner worthy of a statesman and a Christian. Has it been so considered? To an examination of that question I shall now ask your attention, reserving for a future letter the consideration of the effects of the advalorem system in producing those financial crises whose terrible effects you have so well depicted, and that pauperism and crime whose growth you have so much deplored.

The experience of the outer world is in full accordance with our own, the whole proving that the tendency toward harmony, peace, and freedom, exists in the direct ratio of the diversity in the demand for human force, and consequent power of combination among the men of whom society is composed. Therefore is it, that the most distinguished economists are found uniting in the idea expressed by M. Chevalier, the free trader whom you so much admire, that it is only "the accomplishment of a positive duty" on the part of governments, so to direct their measures as to facilitate the taking possession of all the various branches of industry for which the country has been by nature suited. Such must be the view of every real statesman — recognizing, as such men must, the existence of a perfect harmony in the great and permanent interests of all the various portions of society, laborers and capitalists, producers and consumers, farmers and manufacturers. Of such harmony, however, you give your readers none — consumers of cloth and iron here being told that capitalists "not satisfied with their profits" are anxious to "increase the burdens of the people;" that "the fraternity of mill-owners," and they alone, are anxious for a change of system, with increase of taxes; that "the lords of the mills" are dictating to the Committee of Ways and Means; that "mill-owners have dictated the whole system of indirect taxation;" and that it is high time for them now to protest against the further maintenance or extension of the system. Here, as everywhere, you are found in alliance with that British free trade system which seeks the production of discord, and discord and slavery march always hand in hand together through the world.

Allow me now, my dear sir, to ask you if you really believe that the facts are such as they here are said to be? Do you not, as well as myself, *know*, that for years past, the wealthy mill owners of New England have been opposed to any change of system that could, by giving increased protection, tend to augment domestic competition for the sale of cloth, knowing, as they did, *that such competition must decrease the cost of cloth to the consumer*. So is it now, with the wealthy iron master. He can live, though all around him may be crushed by British competition; and then, in common with his wealthy British rivals, he must profit by the destruction they have made. Such being the facts, and that they are so I can positively assert, are you not, by opposing protective measures, aiding in the creation among ourselves of a little "oligarchy of mill owners," whose power to increase the "tribute money" of which you so much complain, results directly from the failure of Congress so to act as to increase domestic competition for the sale of cloth and iron? The less that competition, the less must be the reward of labor, and the larger the profits of the capitalist, but the greater must be the tendency towards pauperism and crime, and the less the power to consume either cloth or iron.

"Hitherto," as you here tell your readers, our people "have been oppressed by powerful and compact minorities." In this you are right — a small minority of voters in the Southern States having dictated the repeal of the protective tariffs of 1828 and 1842, and having now, with a single and brief exception, dictated for thirty years both the foreign and domestic policy of this country. In 1840, however, the free people of our Northern States, farmers, mechanics, laborers, and miners — the men who had labor to sell and knew that it commanded better prices in protective than in free trade times — rose in their might and hurled from power this little "oligarchy" of slave owners, then taking for themselves the protection which they felt they so greatly needed. That it is, which they now seek again to do — desiring once again to free themselves from the control of that "powerful and compact minority" of slaveholders, under whose iron rule they so long have suffered.

Permit me now, my dear sir, to ask on what side it was you stood, in the great contest of 1842? Was it with the poor farmer of the North who sought emancipation from the tax of transportation, by the creation of a domestic market for his products? Was it with the mechanic who sought the re-opening of the shop in which he so long had wrought? Was it with the laborer whose wife and children were perishing for want of food? Was it with the little shopkeeper who found his little capital disappearing under demands for the payment of usurious interest? *Was it not*, on the contrary, with that "little oligarchy" of men who owned the laborers they employed, and opposed the protective policy, because it looked to giving the laborer increased control over the products of his labor? *Was it not* with the rich capitalist who desired that labor might be cheap, and money dear? *Was it not* with those foreign capitalists who desired that raw materials might be low in price, and cloth and linen high? *Was it not* with those British statesmen who find in the enormous capitals of English iron masters "the most potent instruments of warfare against the competing industry of other countries"? To all these questions the answers must be in the affirmative, your journal having then stood conspicuous among the advocates of pro-slavery domination over the free laborers of the Northern States.—

We have now another free trade period, when crisis has been followed by paralysis, and it may, my dear sir, be not improper to inquire on what side it is that you now are placed. Is it by the side of the free laborer who is perishing because of inability to sell his labor? Is it by that of the poor farmer of the West, who finds himself compelled to pay five per cent, *per month*, to the rich capitalist? Is it by that of the unemployed mechanic of the Middle and Northern States? Is it by that of the farmer whose land diminishes in value because of the enormous tax of transportation to which he is subjected? *Is it not*, on the contrary, by the side of that "little oligarchy" which holds to the belief that the laborer is "the mud-sill" of society, that slavery for the white man and the black is the natural order of things, and that "free society has proved a failure"? For an answer to these questions, allow me now to point you to the fact that you have here invoked the aid of a Senate, the control of which is entirely in the hands of that same "oligarchy," for resisting any and every change in our commercial policy asked for by the farmers and laborers of the Northern States. Now, as for thirty years past, your opponents are found among the men who sell their own labor, while your chief allies are found in the ranks of those by whom such men are classed as serfs. Need we wonder, then, that your journal should be always advocating the cause of the millionaires, and thus helping to augment the pauperism and crime whose rapid growth you so much lament?

The facts being thus so entirely the reverse of what you have stated them to be, is it not, my dear sir, most remarkable —

That, after aiding, during so long a period, in the establishment of pro-slavery domination over our domestic and foreign commerce, you should now venture to assert, that "the mill owners have dictated the whole system of indirect taxation, ever since the late war with Great Britain"?

That, the necessity for resorting to such mis-statements does not furnish you with proof conclusive of the exceeding weakness of the cause in support of which you are engaged?

That, regard for truth does not prompt you to a re-examination of the question, with a view to satisfying yourself that of all the pro-slavery advocates, the *Journal of Commerce* not excepted, there is not even a single one that has proved more efficient than yourself?

Hoping that you may follow my example by giving this letter a place in your columns, and ready to place within the reach of millions of protectionist readers, whatever answer you may see fit to make, I remain,
Yours, very respectfully,
Henry C. Carey.

W. C. Bryant, Esq.

Philadelphia, *February* 28, 1860.

LETTER TENTH.

Dear Sir.—Allow me to beg that you now review with me some of the facts that thus far have been presented for your consideration, having done which, I will ask you to say if in the annals of the world there can anywhere be found a more admirable contrivance for the annihilation of domestic commerce than that which exists among ourselves, consequent upon the adoption of British free trade doctrines. Closing our mills and furnaces, the government compels our people to seek the West. There arrived, they find themselves taxed for transportation to such extent that not only have they no power to develop the mineral wealth that so much abounds, but are wholly unable even to construct roads by means of which to go to the distant market. Few in number and poor, they are driven to seek relief at the hands of their British friends, or masters, pledging their lands and houses as security for the payment of railroad bonds. In due season, the foreign creditor becomes owner of the road, anxious to increase his revenue, but, above all, anxious to promote the dispersion of our people, and to secure the maintenance of our existing colonial dependence. Seeking to accomplish that object, he taxes *your* farmers for the transportation of the produce of distant lands—compelling *them* to make good all the losses resulting from cheaply carrying the products of Wisconsin and Minnesota. Thus destroying the value of the land and labor of Atlantic States, he compels a further emigration, and thus on and on he goes—fully carrying out the British plan of recolonization, while always lauding the advantages to be derived from the British free trade system. It is a remarkably ingenious arrangement, and the more you study it, the more, my dear sir, you must be led to wonder at the folly of our people in having so long submitted to it. The British people are somewhat heavily taxed, but for every dollar they pay for the support of *their own* system, do not our people pay ten for the support of *foreign people and foreign governments?*

That the strength of a community grows as its internal commerce increases, and declines as that commerce decays, is proved by the history of every nation of the world. Such being the case, allow me to ask you now to look with me into that commerce among ourselves, with a view to determining its extent. How much does Kentucky exchange with Missouri? What is the annual value of the commerce of Ohio with Indiana, or of Virginia with Kentucky? Scarcely more, as I imagine, than that of a single day's labor of their respective populations; and, perhaps, not even half so much.—Why is this the case? Is it not a necessary consequence of the absence of that diversity of employments *within the States*, everywhere seen to be so indispensable to the maintenance of commerce? Assuredly it is. Ohio and Indiana have little more than one pursuit—that of tearing out the soil, and exporting it in the form of food. Virginia and Kentucky sell their soil in the forms of tobacco and of corn. Carolina and Alabama have the same pursuits; and so it is throughout by far the larger portion of the Union — millions of people being employed in one part of it, in robbing the earth of the constituents of cotton, while in others, other millions are employed in plundering the great treasury of nature, of the constituents of wheat and rice, corn and tobacco, and thus destroying, for themselves and their successors, the power to maintain commerce.

The commerce of State with State is thus, as you see, my dear sir, but very trivial; and the reason why it is so, is, that the commerce of man with his fellow-man, within the States, as a general rule, is so exceedingly diminutive. Were the people of Illinois enabled to develop their almost boundless deposits of coal and iron ore, and thus to call to their aid the wonderful power of steam, the internal commerce of the State would grow rapidly — making a market at home for the food produced, and enabling its producer to become a large consumer of cotton Cotton mills then growing up, bales of cotton wool would travel up the Mississippi, to be given in exchange for the iron required for the roads of Arkansas and Alabama, and for the machinery demanded for the construction of cotton and sugar mills, in Texas and Louisiana.

That, however, being precisely the sort of commerce which Britain so much dreads, and that, too, which our own government desires to destroy, the capitalist feels no confidence in any road dependent upon its growth, whether for the payment of interest upon its bonds, or dividends upon its stock. Hence the almost entire impossibility of obtaining the means of making any road that does not lead directly to Liverpool and Manchester. Look with me, I pray you, into the Report just now published, of the Sunbury and Erie Railroad — running, as it does, through a country abounding in mineral wealth and fertile lands. Its length is 288 miles, 248 of which are already made, and 148 completed by the laying of the iron — the expenditure having somewhat exceeded $8,500,000. There, however, the work stops, it being quite impossible to obtain, even as a temporary loan, either at home or abroad, the trivial sum that is yet required, except at the cost of sacrifices that must be ruinous to those who have commenced the work. Until it shall be obtained, the capital already expended must fail to be productive, and lands equal in extent to a moderate German kingdom, must fail to contribute to the maintenance of our people, and to the increase of the States in wealth, strength, and power.

Thirty years since, Germany did as we are doing, exporting raw materials, and importing finished products. Adopting protection, she has placed herself in a position to compete with Britain for the purchase of wool and cotton, and for the export of knives and cloth. Then she was poor, but now she is so rich that her people take from us bonds by which our roads and lands are bound for the payment of rates of interest so enormous as to ruin the persons whose property has been pledged. —Thirty years since, we paid off all our foreign debts. Adopting free trade measures, we have since created a foreign debt that requires for payment of its interest alone, more than the products of all our farms that go to Europe. Then, we were rich and strong. Now, we appear as beggars for loans in every money market of Europe, and are fast becoming the very paupers of the world.

That our system tends to the destruction of domestic commerce in the Atlantic States, is beyond a question. How it affects the value of land and labor throughout those Western States, in whose favor you now appeal to your Legislature, asking for a continuance of the system by means of which the New York farmer is made to pay the cost of transporting the corn and wheat of his Western competitor, we may now inquire.

Ten years since, Congress created in Illinois a great company of landlords — granting many millions of acres of land, coupled with the obligation to construct a road from north to south, across the State. Two years later, an ex-Secretary of the Treasury, author of the tariff of 1846, was found in London, engaged in peddling off the Company's stock and bonds. While there, he published a book, setting forth the fact that Illinois abounded in rich soils, and in coal and ores, and proving that the land alone would pay for making a road that was to cost, according to my recollection, some fifteen or twenty millions of dollars — the whole of which must, therefore, be clear profit to the stockholders. Eventually, the bait was swallowed, and the result exhibits itself in the fact that Mr. Cobden has been a ruined man — having been led by his free trade friends to invest therein the whole sum of $350,000 paid to him by the Manchester manufacturers, as compensation for his successful efforts at bringing about a repeal of the British corn laws, and of our protective tariff of 1842.

Why is this? Why is it, that the proprietors of so many millions of acres, and of a road crossing so many beds of coal and ores of various kinds, are ruined men? Because the road runs from north to south, and not from east to west, and cannot, therefore, be made a part of any line leading through New York to Liverpool. Because, the value of the land depended upon the development of domestic commerce — that commerce which "Britain has so much cause to dread." Had the tariff of 1842 continued in existence, the coal of Illinois would long since have been brought into connection with the lead, iron, and copper ores of Missouri, and the country of the lakes, and with the cotton of the South; and then, all the promises of Mr. Walker, and all the hopes of Mr. Cobden, would have been fully realized. Had, however, that tariff been maintained, the people of Illinois would have made their own roads, and the country would have been spared the disgrace of having ex-Cabinet ministers engaged in the effort to persuade English bankers to lend the money required for their construction. They would have been spared, too, a succession of financial crises, bringing ruin to themselves, while enabling their British free-trade friends to denounce them, in common with all their countrymen, as little better than thieves and vagabonds.

The less our domestic commerce, the greater is our dependence upon Liverpool and Manchester, and the less our power to construct any road that does not lead in that direction — the general rule being, that north and south roads can never be made to pay. Look to your own State, crossed by two railroads, leading through your city to Liverpool, while your people are being heavily taxed for an enlargement of your canals, which has for its only object an increase of competition on the part of Western farmers; that increase, too, established at the very moment when your railroad owners are compelling your farmers to pay all the losses they incur in carrying Western produce at less than the mere cost of transportation. Passing south, you find a Pennsylvania road, running east and west, to compete with yours, Maryland and Virginia roads to compete with all, and South Carolina and Georgia roads intended to do the same; but of local roads you find almost none whatever. Why is this? Because Liverpool is becoming more and more the centre of our system, with New York for its place of distribution. Because we are fast relapsing into a state of colonization even more complete than that which existed before the Revolution.

For the moment, your city profits by this British free trade policy, the prices of lots rising as the taxation of farming lands augments, but, is it quite certain that her services will always be required, as distributer of the produce of British looms? May it not be, and that, too, at no distant period, that Manchester and Cincinnati will find it better to dispense with services that require the payment of such enormous sums as are now required for the maintenance of so many thousands of expensive families, the use of so many costly warehouses, and the payment of such enormous rates of interest? The Grand Trunk Road has already, as we are told by the *Daily Times*,

> "Seized upon our Western carrying trade, and linked Chicago and Cincinnati to Portland and Boston *by the way of Canada*, and on terms which almost defy competition from the trunk lines of Maryland, Pennsylvania, and New York. They are delivering flour and grain in New England, and both domestic and foreign merchandize in Ohio and Illinois, cheaper than they can be profitably transported via Philadelphia, or New York, or Albany. Not content with this, they have entered into competition with our coasting-trade from the Gulf to the East, and, using that other Anglo-American enterprise just alluded to, the Illinois Central, are delivering cotton from Memphis to the New England factories cheaper and with more expedition than it can be forwarded by the Mississippi River to New Orleans, and thence by sea to New York and Boston. Nor have they been unmindful of their own direct steam communication with England from Quebec and Portland—the last-named point being converted into a mart of British-American commerce by reason of the perpetual lease or virtual ownership by the Grand Trunk Company of the Atlantic and St. Lawrence Railway from Portland to the Victoria Bridge. They are now using the Quebec line of screw steamers, already one of the most successful between England and this continent, for delivering produce from Cincinnati and Chicago at Liverpool *in twenty days!*—to which end they issue their own responsible bills of lading in the West *through to Liverpool.* A sample of this operation may be seen in Wall Street almost any day attached to sterling bills of exchange made against breadstuffs and meat and provisions from the West on England. And it is by no means certain that in another year the cotton of Tennessee and North Mississippi will not be made to take the same extraordinary direction, say from the planting States to Manchester through Canada."

Such being the case now, at the end of fourteen years of British free trade, what will it be ten or twenty years hence? Arrangements are already on foot for connecting Southern cities with Liverpool by means of Portland, while, throughout the West, the managers of the road "have not," as we are farther told,

> "Failed to effect the needful alliances in the West, to make the connexions at least temporarily complete. The Illinois Central, from Cairo to Chicago, is their natural ally by reason of its English proprietary, and they bridge the peninsula of Michigan by another English work, the Detroit and Milwaukee Railway. As this last connection will not fully answer the designs of the company on the

winter and early spring trade of the West, while the lakes are closed, it is not impossible that one of the older Michigan roads may be leased, like the Atlantic and St. Lawrence, or a controlling interest purchased in its shares and mortgages. The Michigan Southern has been named in this connection, because of its present financial embarrassments, which have cheapened almost to a nominal value its stock and bonds, and because, too, of its terminus at Toledo as well as Detroit; the former point being essential to the Cincinnati connections of the Grand Trunk."

The more frequent and severe our financial crises, the more perfect must become the control of British traders over all our roads, and the greater the tendency towards diminution in the necessity for profiting of the services of New York stores and New York merchants. So, at least, it seems to me.

For seven years past we have talked of the construction of a road to California, but, in the present state of our affairs, becoming poorer and more embarrassed from year to year, it is quite impossible that we should ever enter upon such a work. The wealth and power of Britain, on the contrary, become greater from day to day — all her colonies, ourselves included, being compelled to add to the value of her land and labor, while their own soils become more and more impoverished, and their own laborers are less and less employed. Let our existing commercial policy be maintained, and we shall see the Grand Trunk Road extended to the Pacific — Portland and Quebec becoming the agents of Liverpool and Manchester, and taking the place now occupied by New York.

Looking at all these facts, is it not clear—

That all our tendencies are now in the direction of colonial vassalage?

That, as your city has grown at the expense of others, because of its proximity to Liverpool, so other places, furnishing means of communication that are more direct, may profit thereby at its expense?

That as Liverpool has taken the place of New York in regard to ships, it may soon do so in regard to trade? And therefore,

That the real and permanent interests of your city are to be promoted by an union of all our people for the re-establishment of that industrial independence which grew so rapidly under the protective tariffs of 1828 and 1842?—

Begging you to be assured of my continued determination to give to the answers you may make to these questions, the widest circulation among protectionist readers, I remain, my dear sir,

Yours, very truly,
HENRY C. CAREY.

W. C. BRYANT, ESQ.

PHILADELPHIA, *March* 6, 1860.

LETTER ELEVENTH.

From the Evening Post, Tuesday, Feb. 28.

"AN EXAMPLE OF THE EFFECT OF PROTECTION.—Among the commodities which have hitherto not been permitted to be brought into France from foreign countries is cutlery. It is now included in the list of merchandize to which the late treaty with Great Britain opens the ports of France.

"Those who have made a comparison of French cutlery with the cutlery of the British islands must have been at first surprised at the difference in the quality. Nothing can exceed the perfection of workmanship in the articles turned out from the workshops of Sheffield. The symmetry and perfect adaptation of the form, the excellence of the material, the freedom from flaws, and the mirror-like polish which distinguish them, have for years past been the admiration of the world. French cutlery, placed by its side, has a ruder, rougher appearance, an unfinished look, as if the proper tools were wanting to the artisan, or as if it was the product of a race among whom the useful arts had made less progress.

"This is not owing to any parsimony of nature, either in supplying the material to be wrought or the faculties of the artisan who brings it to a useful shape. The ores of the French mines yield metal of an excellent quality, and the French race is one of the most ingenious and dexterous in the world. In all manufactures requiring the nicest precision and the greatest delicacy of workmanship the French may be said to excel the rest of mankind. Out of the most unpromising and apparently intractable materials their skilful hands fabricate articles of use or ornament of the most pleasing and becoming forms. What, then, is the reason that their cutlery is so much inferior to that of Great Britain?

"In all probability the reason is that which at one time caused the silk trade to languish in Great Britain, which at one time made the people of the same country complain that their glass was both bad in quality and high in price. In both these instances the competition of foreign artisans was excluded; the British manufacturer having the monopoly of the market, there was nothing to stimulate his ingenuity; he produced articles of inferior quality, his vocation did not flourish, and both he and the community were dissatisfied. So with regard to the cutlery of France, the difficulty has been the prohibition of the foreign article. Let the foreign and the French commodity be looked at side by side for a few years in the shop-windows of Paris, if the duty to which cutlery is still to be subject will permit it, and we think we may venture to pledge ourselves that the French workmen will show themselves in due time no way behind their English rivals. We may expect the same result to take place which has so much astonished and puzzled the friends of protection in Sardinia, where the removal of prohibitions and protective duties has caused a hundred different branches of manufacturing industry to spring to sudden and prosperous activity."

DEAR SIR:—Anxious that all the protectionists of the Union should, as far as possible, have it within their power to study both sides of this question, I here, as you see, lay before my readers your latest argument against protection, thereby affording them that opportunity of judging for themselves which you so systematically deny to the readers of the *Post*. Why is it that it is so denied? Is it that the British system can be maintained in no other manner than by such concealment of great facts as is here so clearly obvious? While enlarging upon the deficiencies of French cutlery, as resulting from protection, was it necessary to shut out from view the important fact, that under a protective system more complete, and more steadily maintained, than any other in the world, France has made such extraordinary progress in all textile manufactures, that she now exports of them to the extent of almost hundreds of millions of dollars annually — supplying them at home and abroad so cheaply, that she finds herself now ready to substitute protective duties for the prohibitions which have so long existed? Would it not be far more fair and honest were you to give your readers all the facts, instead of limiting yourself to the few that can be made to seem to furnish evidence of the truth of that system to which you are so much attached, and to which we are indebted for the financial crises whose ruinous effects you have so well described?

Why is it that the French people, while so successful with regard to silks and cottons, are so deficient in respect to the production and manufacture of the various metals? The cause of this is not, as you tell your readers, to be found in "the parsimony of nature," and yet, it is a well-known fact, that while the supply of coal and iron ore is very limited, others of the most useful metals are not to be found in France. This, however, is not all, the "parsimony of nature" which, notwithstanding your denial of it, so certainly exists, being here accompanied by restrictions on domestic commerce of the most injurious kind, an account of which, from a work of the highest character, will be found in the following paragraph:

> "By the French law, *all minerals of every kind belong to the crown, and the only advantage the proprietor of the soil enjoys, is, to have the refusal of the mine at the rent fixed upon it by the crown surveyors.* There is great difficulty sometimes in even obtaining the leave of the crown to sink a shaft upon the property of the individual who is anxious to undertake the speculation, and to pay the rent usually demanded, a certain portion of the gross product. The Comte Alexander de B—— has been vainly seeking this permission for a lead-mine on his estate in Brittany for upwards of ten years."

Having read this, you cannot but be satisfied that it accounts most fully for French deficiencies in the mining and metallurgic arts. That such was the case, you knew at the time you wrote your article, or you did not know it. If you did, would it not have been far more fair and honest to have given all the facts? If you did not, is it not evident that you have need to study further, before undertaking to lecture upon questions of such high importance?

Turning now from French cutlery to British glass, I find you telling your readers that the deficiency in this latter had been "in all probability" due to the fact, that "the competition of foreign artisans" had been so entirely excluded. On the contrary, my dear sir, it was due to restrictions on internal commerce, glass having been, until within a few years past, subjected to an excise duty, yielding an annual revenue of more than $3,000,000. To secure the collection of that revenue, it had been found necessary to subject the manufacturer to such regulations in reference to his modes of operation as rendered improvement quite impossible. From the moment that domestic commerce became free, domestic competition grew, bringing with it the great changes that have since occurred. That such is the case, is known to all the world, and yet I find no mention of these important facts in this article intended for the readers of the *Post*. Would they not, my dear sir, be better instructed, were you to permit them to see and read both sides of this great question?

What has recently been done with British glass, is precisely what was sought to be done in France by Colbert and Turgot, both of whom saw in the removal of restrictions upon internal commerce the real road to an extended intercourse with other nations of the world. With us, the great obstacle standing in the way of domestic commerce, is found in those large British capitals which, as we are now officially informed, constitute "the great instruments of warfare against the competing capitals of other countries, and are the most essential instruments now remaining by which the manufacturing supremacy" of England "can be maintained;" and in protecting our people against that most destructive "warfare," we are but following in the direction indicated by the most eminent French economists, from Colbert to Chevalier. France has protected her people, and therefore is it, that agricultural products are high in price, while finished commodities are cheap, and that the country becomes more rich and independent from year to year. We refuse to grant protection, and therefore do we sink deeper in colonial vassalage from day to day.

Foreign competition in the domestic market is, however, as we here are told, indispensable to improvement in the modes of manufacture. This being really so, how is it, my dear sir, that France has so very much improved in the various branches, in which foreign competition has been so entirely *prohibited?* How is it, that Belgium and Germany have so far superseded England in regard to woollen cloths? How is it, that American newspapers have so much improved, while being cheapened? Have not these last an entire monopoly of the home market? Would it be possible to print a *Tribune*, or a *Post*, in England, for New York consumption? Perfectly protected, as you yourself are, is it not time that you should open your eyes to the fact that it is to the stimulation of domestic competition for the purchase of raw materials, and for the sale of finished commodities, we must look for any and every increase in the wealth, happiness, and freedom of our people?

The more perfect the possession of the domestic market, the greater is the power to supply the foreign one — the *Tribune* being enabled to supply its distant subscribers so very cheaply, for the reason that it and its fellows have to fear no competition for home advertisements from the London *Times*, or *Post*. "This principle," as you yourself have most truly said,

> "Is common to every business. Every manufacturer practises it, by always allowing the purchaser of large quantities of his surplus manufacture an advantage over the domestic consumer, for the simple reason that the domestic consumer must support the manufacturer, and as the quantity of goods consumed at home is very much larger than that sent abroad, it is the habit of the manufacturer to send his surplus abroad, and sell at any price, so as to relieve the market of a surplus which might depress prices at home, and compel him to work at little or no profit."

Admitting now that it were possible for the London *Times* to supply, on every evening, a paper precisely similar to yours—forcing abroad the surplus, and selling "at any price, so as to relieve the domestic market," would you not be among the first to demand protection against the system? Would you not assure your readers of the entire impossibility of maintaining competition against a journal, all of whose expenses of composition and editorship were paid by the home market — leaving its proprietors to look abroad for little more than the mere cost of paper and of presswork? Would you not demonstrate to them the absolute necessity of protecting *themselves* against a "warfare" that must inevitably result in the creation of a "little oligarchy" of monopolists who, when domestic competition had been finally broken down, would compel them to pay ten cents for a journal neither larger nor better than they now obtain for two? Assuredly, you would.

Addressing such arguments to your British free trade friends, they would, however, refer you to the columns of the *Post*, begging you to study the assurance that had there been given, that—

> "Whenever the course of financial fluctuation shall have broken the hold of monopolists and speculators upon the mines of iron and coal, which the Almighty made for the common use of man, and whenever there shall be men of skill and enterprise to spare to go into the business of iron-making for a living, and not on speculation, who shall set their wits at it to find out the best ways and the cheapest processes, it must be that such an abundance both of ore and fuel can be made to yield plenty of iron, in spite of the competition of European iron-masters who have to bring their products three thousand miles to find a market."

To all this you would, of course, reply, that "financial fluctuations" created monopolies, and never "broke their hold;" that men of "skill and enterprise" were not generally rich enough to compete with such rivals as the London *Times;* that domestic competition had already given us "cheaper ways and cheaper processes" than any other country of the world; that the freight of a sheet of paper was as nothing compared with the cost of editorship and composition; that all these latter costs were, in the case of the British journals, paid by the domestic market; that "the domestic consumers supported the British manufacturer;" that the quantity of journals consumed at home was so very great that their producers could afford to sell abroad "at any price"—thereby "relieving the market of a surplus which might depress prices at home, and compel them to work at little or no profit;" and that, for all these reasons, it was absolutely necessary to grant you such protection as would give you the same security in the domestic market as was then enjoyed by your foreign rivals?

Would not all this be equally true if said to-day of our producers of cloth and iron, coal and lead? Does the policy you advocate tend to place them in a position successfully to contend with those British manufacturers who "voluntarily incur immense losses, in bad times, in order to destroy foreign competition, and to gain and keep possession of foreign markets"? Can they resist the action of the owners of those "great accumulations of capital" which have been made at our cost, and are now being used to "enable a few of the most wealthy capitalists to overwhelm all foreign competition in times of great depression"—thereby largely adding to their already enormous fortunes, "before foreign capital can again accumulate to such extent as to be able to establish a competition in prices with any chances of success"? Can it be to the interest of any country to leave its miners and manufacturers exposed to a "warfare" such as is here officially declared? Do not they stand as much in need of protection, for the sake of the consumers, as you would do in the case supposed? Does not your own experience prove that the more perfect the security of the manufacturer in the domestic market, the greater is the tendency to that increase of domestic competition which tends to increase the prices of raw materials, while lessening the cost of cloth and iron? Do not men, everywhere, become more free, as that competition grows, and as employments become more diversified? Is not, then, the question we are discussing, one of the freedom and happiness of your fellow-men? If so, is it worthy of you to offer to your readers such arguments as are contained in the article above reprinted?

Holding myself, as always heretofore, ready to give to my readers your replies to the questions I have put, I remain, my dear sir,

Yours, very truly,
HENRY C. CAREY.

W. C. BRYANT, ESQ.

PHILADELPHIA, *March* 13*th*, 1860.

LETTER TWELFTH.

DEAR SIR: — Thirty years since, South Carolina, prompted by a determination to resist the execution of laws that were in full accordance with both the letter and the spirit of the Constitution, first moved a dissolution of the Union. Failing to find a second, she stood alone. Since then, all has greatly changed. Now, each successive day brings with it from the South not only threats but measures of disunion, each in its turn finding more persons in the centre and the North anxious for the maintenance of the Union, yet disposed towards acquiescence in the decision of their southern brethren, whatever that may prove to be. This is a great change to have been effected in so brief a period, and sad as it is great. To what may it be attributed, and how may the remedy be applied?

Before answering this latter question, let us inquire into the causes of the disease — for that purpose looking for a moment into the records of our past. The men who made the Revolution did so, because they were tired of a system the essence of which was found in Lord Chatham's declaration, that the colonists should not be permitted to make for themselves "even so much as a single hobnail." They were sensible of the exhaustive character of a policy that compelled them to make all their exchanges in a single market — thereby enriching their foreign masters, while ruining themselves. Against this system they needed protection, and therefore did they make the Revolution — seeking political independence as a means of obtaining industrial and commercial independence. To render that protection really effective, they formed a more perfect union, whose first Congress gave us, as its first law, an act for the protection of manufactures. Washington and his secretaries, Hamilton and Jefferson, approved this course of action, and in so doing were followed by all of Washington's successors, down to General Jackson. For half a century, from 1783 to 1833, such was the general tendency of our commercial policy, and therefore was it that, notwithstanding the plunder of our merchants under British Orders in Council and French Decrees, and notwithstanding interferences with commerce by embargo and non-intercourse laws, there occurred in that long period, in time of peace, no single financial revulsion, involving suspension by our banks, or stoppage of payment by the government. In all that period there was, consequently, a general tendency toward harmony between the North and the South, in reference to the vexed question of slavery — both Virginia and Maryland having, in 1832, shown themselves almost prepared for abolition. Had the then existing commercial policy been maintained, the years that since have passed would have been marked by daily growth of harmony, and of confidence in the utility and permanence of our Union.

Such, unhappily, was not to be the case. Even at that moment South Carolina was preparing to assume that entire control of our commercial policy, which, with the exception of a single Presidential term, she has since maintained—thereby forcing the Union back to that colonial system, emancipation from which had been the primary object of the men who made the Revolution. With that exception her reign has now endured for more than five and twenty years, a period marked by constantly-recurring financial convulsions, attended by suspensions of our banks, bankruptcies of individuals and of the government, and growing discord among the States.

What, you will probably ask, is the connection between financial revulsion and sectional discord? Go with me, my dear sir, for a moment, into the poor dwelling of one of our unemployed workmen, and I will show you. The day is cold, and so is his stove. His wife and children are poorly clothed. His bed has been pawned for money with which to obtain food for his starving family. He himself has for months been idle, the shop in which he had been used to work having been closed, and its owner ruined. Ask him why is this, and he will tell you to look to our auction-stores and our shops, gorged with the products of foreign labor, while our own laborers perish in the absence of employment that will give them food. Ask him what is the remedy for this, and, if he is old enough to remember the admirable effects of the tariff of 1842, he will tell you that there can be none, so long as southern commercial policy shall continue to carry poverty, destitution, and death, into the homes of those who must sell their labor if they would live. That man has, perhaps, already conceived some idea of the existence of an "irrepressible conflict" between free and slave labor. A year hence, he may be driven by poverty into abolitionism.

The picture here presented is no fancy sketch. It is drawn from life. This man is the type of hundreds of thousands, I might say millions, of persons of various conditions of life, who have been ruined in the repeated financial crises of the five-and-twenty years of British free trade and South Carolinian domination. Follow those men on their weary way to the West, embittered as they are by the knowledge that it is to southern policy it is due that they are compelled to separate themselves from homes and friends, and perhaps from wives and children. See them, on their arrival there, paying treble and quadruple prices for the land they need, to the greedy speculator who finds his richest harvest in free trade times. Mark them, next, contracting for the payment of four and even five per cent per month, for the little money they need, knowing, as they do, that we are exporting almost millions of gold per week, to pay to foreigners for services that they would gladly have performed. Watch them as they give for little more than a single yard of cotton cloth, a bushel of corn, that under a different policy would give them almost a dozen yards. Trace them onward, until you find their little properties passing into the hands of the sheriff, they themselves being forced to seek new homes in lands that are even yet more distant. Reflect, I pray you, upon these facts, and you will find in them, my dear sir, the reasons why the soil of Kansas has been stained by the blood of men who, under other legislation, would have been found acting together for the promotion of the general good.

Mr. Calhoun sowed the seeds of sectionalism, abolitionism, and disunion, on the day on which he planted his free trade tree. Well watered and carefully tended by yourself and others, all have thriven, and all are now yielding fruit — in exhaustion of the soil of the older States, and consequent thirst for the acquisition of distant territory; in Kansas murders and Harper's Ferry riots; in civil and foreign wars. It is the same fruit that has been produced in Ireland, India, and all other countries that are subjected to the British system. Desiring that the fruit may wither, you must lay the axe to the root of the tree. That done, the noxious plants that have flourished in its shade will quickly decay and disappear.

We are told, however, that the interests of the South are to be promoted by the maintenance of the system under which Ireland and India have been ruined, and which it is the fashion of the day to term free trade. Was that the opinion of Washington, Jefferson, Madison, or Jackson? Is it, even now, the opinion of those Southern men whose views in regard to the slavery question are most in accordance with your own? Are not Kentucky and Tennessee, Virginia and North Carolina, Alabama and Missouri, rich in fuel and iron ore, and all the other materials required for the production of a varied industry? Did not the domestic consumption of cotton increase thrice more rapidly than the population, under the tariff of 1842? Had it continued to increase as it then was doing, would it not now absorb a million and a half of bales — diminishing by many hundreds of thousands the quantity for which we need a foreign market? Under such circumstances would not our planters obtain more for two and a half million of bales than they now do for three and a half millions? Rely upon it, my dear sir, there is no discord in the real and permanent interests of the various sections of the Union. There, all is perfect harmony, and what we now most need is the recognition, by men like you, and by our southern brethren, of the existence of that great and important fact. In that direction, and that alone, may be found the remedy for our great disease.

Looking for it there, the effect will soon exhibit itself in this development of the vast natural resources of every section of the country — in the utilization of the great water-powers of both South and North — and in the increase of that internal commerce to which, alone, we can look for extrication from the difficulties in which we are now involved. Let our policy be such as to produce development of that commerce, and villages will become tied to villages, cities to cities, States to States, and zones to zones, by silken threads scarcely visible to the eye, yet strong enough to bid defiance to every effort that may be made to break them. British policy sought to prevent the creation of such threads — British politicians having seen that by crossing and recrossing each other, and tying together the Puritan of the north, the Quaker, the German, and the Irishman of the centre, and the Episcopalian of the south, they would give unity and strength to the great whole that would be thus produced. Such, too, is the tendency of our present policy, our whole energies having been, and being now, given to the creation of nearly parallel lines of communication — roads and canals passing from west to east through New York and Pennsylvania, Maryland, Virginia, and Carolina — always at war with each other, and never touching until they reach the commercial capital of the British islands. In that direction lie pauperism, sectionalism, weakness, and final ruin of our system.

Desiring that the Union may be maintained we must seek again the road so plainly indicated to us by Washington, Jefferson, Madison, Monroe, and Jackson, the greatest men the South has yet produced.

In common with Franklin and Adams, Hancock and Hamilton, those men clearly saw that it was to the industrial element we were to look for that cement by which our people and our States were to be held together. Forgetting all the lessons they had taught, we have now so long been following in the direction indicated by our British free trade *friends* — by those who now see, as was seen before the Revolution, in the dispersion of our people the means of maintaining colonial vassalage —that already are they congratulating themselves upon the approaching dissolution of the Union, and the entire re-establishment of British influence over this northern portion of the continent. For proof of this, permit me to refer you to the following extracts from the *Morning Post*, now the recognised organ of the Palmerstonian government:

> "*If the Northern States should separate from the Southern on the question of slavery* — one which now so fiercely agitates the public mind in America — that portion of the Grand Trunk Railway which traverses Maine, might at any day be closed against England, unless, indeed, the people of that State, *with an eye to commercial profit, should offer to annex themselves to Canada.* On military, as well as commercial grounds, it is obviously necessary that British North America should possess on the Atlantic a port open at all times of the year—a port which, whilst the terminus of that railway communication which is destined to do so much for the development and consolidation of the wealth and prosperity of British North America, will make England equally in peace and war independent of the United States. We trust that the question of confederation will be speedily forced upon the attention of her Majesty's Ministers. The present time is the most propitious for its discussion. . . . . . . If slavery is to be the Nemesis of Republican America—if separation is to take place—the confederated States of British North America, then a strong and compact nation, would virtually hold the balance of power on the continent, *and lead to the restoration of that influence which, more than eighty years ago, England was supposed to have lost.* This object, with the uncertain future of Republican institutions in the United States before us, is a subject worthy of the early and earnest consideration of the Parliament and people of the mother country."

Shall these anticipations be realised? That they must be so, unless our commercial policy shall be changed, is as certain as that the light of day will follow the darkness of the night. Look where we may, discord, decay, and slavery, march hand in hand with the British free trade system — harmony and freedom, wealth and strength, on the contrary, growing in all those countries by which that system is resisted. Such having been, and being now, the case, are you not, my dear sir, in your steady advocacy of Carolinian policy among ourselves, doing all that lies in your power toward undoing the work that was done by the men of '76?

Repeating once again my offer to place your answers to this and other questions within the reach of a million and a half of protectionist readers, I remain, Yours, very respectfully,

HENRY C. CAREY.

W. C. BRYANT, ESQ.

PHILADELPHIA, *March* 21, 1860.

OUR FUTURE.

Dear Sir:—

What was said so very briefly a fortnight since, I propose now to say somewhat more at large, hoping that you may find leisure for its consideration.

Our late Finance Minister had been intended by Dame Nature for clerk of a country bank. Out of such material Mr. Lincoln thought to make a statesman; a blunder that he could not have committed had he studied the poor man's reports in his capacity of Comptroller. It has proved a sad one for the country, although the crop of trouble he has raised has even yet hardly commenced to be reaped.

That the question of repudiation might be for ever dismissed from sight and thought it was essential that the debt should from year to year be made less burthensome. Directly the reverse of this, he has made it hourly more and more oppressive.

In May, 1865, he assured me that he had been always a thorough disciple of Mr. Clay, and that, as affording the most efficient and reliable protection, he "would be glad to see gold maintained, for years to come, at 175." Soon after, having then allied himself with the money-lending class, he determined that within three years legal tenders should be brought to par. But little later we find him to have become a very doubting protectionist, as the step preliminary to an adoption of British free-trade doctrines.

For years he has tried to put down the price of gold; to deprive the people of much needed machinery of circulation; to make money scarce and to raise the rates of interest; to depress the wages of labor; and to elevate the receiver of fixed incomes at the cost of farmers, miners and mechanics. He could not, or would not, see that reduction of gold meant merely the opening of our ports more widely to the entry of goods that should be made at home;* that by raising the rate of interest he was throwing obstacles in the way of production; that by threatening reduction of prices he was producing paralysis of the societary body; that he was thus making it more necessary to seek supplies abroad; and, that his every movement tended towards increasing an absenteeism that now demands annually $50,000,000, and is likely soon to claim $100,000,000. He *would* not see that with every step in these directions the country was becoming less and less capable of self protection.

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* British and other foreign agents deprecate increase in the price of gold, knowing that it tends to lessen importations. Their agents, charged with the editorship of prominently Republican journals, assure our people, on the contrary, that the higher the premium the greater the advantage to the foreign manufacturers by whom they themselves are being paid. There is no sort of deception or falsehood that is not resorted to in the free-trade and anti-republican interest.

Throughout the war the Treasury was in close alliance with those who had labor to sell, and needed to buy, or borrow, money; and therefore did we grow in wealth and strength. Since the peace it has been steadily opposed to that great class, and therefore is it that the party and the nation have been becoming from day to day more enfeebled.

In that direction, nevertheless, did the Secretary look for obtaining power to resume the use of the precious metals, wholly unaware, as it would seem, that resumption must come, if ever, as a consequence of increased and not of diminished strength. Therefore is it that we have receded when we should have advanced, and are now a score of years further from the use of coin than had been the case at the date of the conversation above referred to. The day may, perhaps, arrive when it will be clearly understood that resumption *cannot* be reached by means of any system whose tendency is that of raising the rate of interest.

What is to be the policy of the future no one can now pretend to foretell. It is certain that much which hitherto has been done privately and dishonestly will in the future be done openly and honestly, but, so far as can now be seen, there is no certainty that while saving drops at the spigot we shall not continue to lose gallons at the bung-hole. Will the Treasury policy continue to favor money lenders at the expense of money borrowers? Will it continue to keep before the public eye the idea that dollars now invested in mills and mines are certain to be worth but half dollars in the future? Will it continue in its determination to secure to the people of the extreme North a monopoly of power to furnish circulation? Will it continue in its determination to prevent the Centre, the South, and the West, from exercising, in regard to institutions of credit, the powers now so fully exercised in the North and East? Will it continue to close its eyes to the fact that the circulating note is but the small change of commerce, and that a dollar note is as harmless as a silver dime? Will it continue blind to the fact that it is the great money of commerce—that which is used in Wall street—and *not* its small change, used by the people, that needs regulation? Will it continue to compel more than half the country, in default of that small change, to perform all exchanges by means of barter? Will it continue to compel the people of two-thirds of the entire surface of the Union to use counterfeit notes because of being deprived of power to do for themselves what is so freely done by those of New York and New England? *Will it allow our whole people to remain for months to come in utter ignorance as to its policy in these important respects?*

Last year it was supposed that Republican success would be followed by revival of confidence. Directly the reverse, faith in our industrial and commercial future has diminished, and now declines with each successive day. Why? Because there have as yet been no indications of any diminution in the power of the money-lending class to control the societary movement. Because, in reference to the question of industrial independence the Administration has thus far indicated no policy whatsoever. Because, its appointments indicate a preference of the British free-trade and anti-American one; or, at the least, an indifference to this all-important question. The most powerful, most dangerous, and most unpopular of free-traders had the offer of the Treasury. Most narrowly, as we are assured, did the nation escape the injury that must have resulted from being represented at Vienna by the President of the British Free-trade League. Almost without exception our chief representatives in Europe are free-traders. The single exception that I know of is that of the man who now goes to the usual place of political exile, St. Petersburg. Our consuls and consuls general belong mainly, as

I believe, to that school which teaches that "the smuggler is the great reformer of the age."

The last of all qualities now demanded in men who are to represent the country abroad is that of being in policy truly and distinctively American—disciples in that school in which Hamilton and Clay were teachers, and in which it has been always taught that political independence *cannot* be arrived at by means of measures calculated to perpetuate industrial dependence.

As a consequence of all this it is that confidence declines; that the small change of commerce, the circulating note, becomes daily more and more scarce; that the price of money rises; that the rich grow richer while the poor are unemployed; that the average rate of interest is now twice greater than it had been throughout the war; and, that we now march on the road of political decline, destined to find at its termination political and material death.

To all present appearance, this State and Indiana will, in October next, place themselves side by side with the copperhead New Jersey and New York. With another year of hesitating and undecided policy Ohio will be led to follow suit, thereby giving to the free-trade Democracy all the States from Illinois to the ocean, and from the Lakes to the Potomac and Ohio, every one of which so recently belonged to that great Republican phalanx *which had attained to power as a consequence of its adoption, in* 1860, *as part of its platform, of the grand idea that the American laborer must be protected against the pauper laborers of Europe.* Without that plank, now forgotten, the votes of this and other States would have been given to the Democrats, and Mr. Lincoln would have been defeated.

The whole centre of the Union having been thus surrendered to the enemy, what will be the verdict pronounced in 1872? Will it be for or against the Administration? *Can* it prove other than an adverse one? *Ought* it to be other, if the disastrous policy of our late Finance Minister shall continue to be maintained?

The money borrowers give an hundred votes where the money lenders give a single one. They, therefore, it is who make the verdict. Let it be such as it seems now almost certain that it must be, and what will become of the national obligations? Will rebels and copperheads, then in power, be disposed to pay them? Will the South and West be disposed to tax themselves for discharge of bonds held wholly in the North and East? If they shall be so it will deserve to rank among the most extraordinary occurrences the world has ever known. That they will not be so you may regard as entirely certain.

Sectionalism has been, as now it is, our essential trouble. For half a century the South governed us, and the end of that government was found in a rebellion. Avoiding Scylla we have fallen on Charybdis, the money monopoly of the extreme North working almost as much mischief as before had done the slavery of the South. Now, as always in the past, the Centre is nowhere; *and yet, it is that Centre which makes our presidents.* This State stood throughout the war the bulwark of the Union; yet is it now as fiercely denounced by New England men as before it had been by the whole body of Southern rebels. Let it now be driven, as it seems likely soon to be, from the republican party, and the party itself will prove to have been but a mighty failure.

The democratic British free trade paralysis of 1840 elected the whig Harrison. That of 1848 elected Taylor, as that of 1859–60 did by Lincoln. Will it be then extraordinary if a republican paralysis of 1872 shall elect a copperhead, thereby showing that republicanism had proved itself a failure? As it seems to me, it certainly will not.

You say, however, that Congress makes the laws, and that the Executive has no choice but to carry them into effect. Here, as it seems to me, you are in error, all our financial operations for the past four years having been dictated by the Secretary and a little Senatorial clique, backed by men who sought to raise the price of money, and to augment their fortunes at the cost of both the people and the State. Let the Treasury now terminate its alliance with the money-lending aristocracy; let it look a little kindly on the money-borrowing democracy; let it seek to unite itself with the *real* Congress, and it can then have any intelligent legislation for which it may see fit to ask. *Let it fail to do these things, and the downfall of the party will come as certainly as darkness follows the setting of the sun.* It came into power as advocate of the rights of the laboring many, black and white, northern and southern. It loses power as it becomes more and more the ally of the few by whom the many are governed, these latter feeling that the whip of the money lender and the lash of the slave-driver are close kindred with each other.

In 1857 I addressed to Mr. Buchanan a private letter in which his attention was called to the fact, that the circumstances under which he and Mr. Van Buren had come into power, as well as those which almost at once had followed, had been precisely alike. Such having been the case, I told him that if he would study the policy of his free-trade and anti-bank predecessor, and then carefully follow it out, the result to both would prove to have been the same, to wit, political ruin. If, on the contrary, he would adopt a course directly the reverse, he would, as I believed, build up the greatest party the country had ever known, and be himself its head. He preferred the former, and the end was ruin to both his party and himself.

While all the world was lauding Louis Philippe as the "Napoleon of Peace," I was accustomed to tell my friends that he was a mere trickster, and would never establish his dynasty. In December, 1847, when he was at the zenith of his reputation, I published a little sketch of France, in which it was shown why it was that such must inevitably be the result of the course then being pursued. Two months later, that prophecy had become history. So was it later with Mr. Buchanan, the letter then written him having proved to be almost a history, written in advance, of the seven unhappy years that followed.

From the sublime to the ridiculous, as we are told, is but a single step. So did it prove to be with Napoleon. So was it with Louis Philippe. So is Louis Napoleon—as a consequence of his blind imitation of British policy—now beginning to find it. So did we ourselves find it as we passed from that American system by aid of which, in 1834–5, we finally extinguished the public debt, to that British one, by means of which we were led, in 1842, to being compelled to send Macalester and Robinson to Europe to beg, and beg in vain, for the loan of a dozen millions. So, too, was it found as we passed from that American period which gave us power to raise the Stars and Stripes over the "Halls of the Montezumas," to that British free trade one which led to striking our flag at Sumpter, and to holding our existence at the pleasure of Russell and Napoleon. Once again, we have reached the sublime. Once again, we are fast approaching the ridiculous. How long before it will be reached? One more false step now made, and the work will be accomplished.

We are now, as journalists advise us, to have a vigorous foreign policy. To what, however, are we to look for power to carry such an one into full effect? Could we have had it at the close of the free-trade period of 1817, when the domestic commerce was so utterly ruined? Could we have had it in that British free-trade period which closed our mills and furnaces, destroyed our commerce, and compelled us to beg abroad for loans? Did we *not* have it in the closing years of that protective period which commenced in 1843? Might we not have it now, protection having built furnaces and mills and thus enabled us to carry to a successful close the greatest civil war the world had ever known? Shall we have it five years hence, after a repetition of blunders like those of 1843, 1846, and 1857? That we shall not is very certain.

A vigorous foreign policy means the acquisition of Cuba, San Domingo, Canada, and power to enforce the doctrines of Senator Sumner's speech. To that speech Britain makes answer by buying up our journals, and by scattering well paid lecturers throughout the country, many of them professing to be republicans, but all mainly engaged in making democratic free-trade votes. British gold is thus undermining an Administration whose members wait, as it seems to me, with folded arms, the arrival of the time when they shall find themselves compelled to cry—Too late! Too late!

In ante-revolutionary times our men, feeling themselves oppressed by Britain and knowing that the way to reach her conscience was through her pocket, destroyed shiploads of tea, men and women soon after uniting in a determination to consume no articles of British manufacture. Their successors, again oppressed by means of Orders in Council, profited of the example that had thus been set them by prohibiting the import of British manufactures; and this they did although the goods thus prohibited would have come in American ships. Wiser grown, we now make on one hand large demands, while on the other filling the British markets with bonds given in payment for cloth and iron that might, and should, be made at home; those goods, too, coming in British ships whose owners are thus enabled to profit by the spoliations of the past.* Seeking reparation in that direction all our efforts must prove abortive. To enable us really to obtain it we should say to the British people, as was said by the men of the revolution, that *if they wish to supply us with cloth and iron they must come here and make them.* The assertion of that determination would do more in a single year towards obtaining full and complete satisfaction than will be done in a century of the system that now exists.

Moving in one direction we shall dictate law, thus securing to ourselves a permanent place as THE GREAT POWER OF THE EARTH. Travelling in the other we shall find ourselves compelled to accept as law the decision of Britain, and shall forfeit the place we now seem to have secured.

The foundation of a vigorous foreign policy must here be laid, as in Britain, France, and now again in Germany, it has been laid, in a vigorous domestic one. The administration *must* have an American policy—one that shall be directly the reverse of that which is now being dictated to us by journals and journalists in the pay of Liverpool and Manchester. It *must* awake to the fact that all our power of the last few years has resulted from an activity of the societary circulation without parallel in the annals of the world. It *must* begin to appreciate the fact that the whole force of the treasury for the last four years has been directed to destruction of that circulation; to the production of paralysis; and, to the alienation of that great class by which the war had so successfully been made.† Failing to do this, it must prepare to meet at the next election a verdict as unfavorable as that which had before been rendered in regard to Mr. Buchanan and Louis Philippe.

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* The import of rail road bars in March last was at the rate of 500,000 tons per annum, yielding to British iron masters $20,000,000 in gold.

† The editor of the *Tribune*, believing, apparently, that palsy and strength go hand in hand together, just now tells his readers that he hopes "to hear the present summer characterized as the dullest ever known." Could he but be persuaded to study

Very sad is it to see that such is likely to be the case. More sad is it to know that, so far as now can be seen, nothing is likely to be done towards preventing an occurrence so disastrous for ourselves and for the world at large.

The President might, if he would, prevent all this. He might, if he would, have the whole nation at his back. To that end, however, it would be required to know if his Administration meant to look for support to its working men; or, on the other hand, to the bankers of Wall and State Streets, the capitalists of Boston and Lowell, Liverpool and Manchester, all of whom are now so well represented by Messrs. Wells & Atkinson, the Springfield Walker, and other members of a League that derives its chief support from contributions of British and other foreign gold.

Had the President witnessed, in 1860, the enthusiasm exhibited by the whole 20,000 men assembled in the convention that nominated Mr. Lincoln—had he, I say, witnessed the wonderful enthusiasm with which the re-inauguration of protection then was hailed, he would have no difficulty in knowing how to reach the American heart. Had he witnessed it, he would now have but little difficulty in understanding that the hesitating and uncertain policy of the present *could* have no end other than that of political ruin.

War now exists between British capitalists and American workingmen, farmers, miners, and mechanics. It is a war that *can* have no end other than that of final and utter ruin to the one or the other. On which side does the Administration propose to fight? For one, I do not pretend even to guess at the answer that may here be given, nor do I know of any one who does. Every hour that such answer is delayed gives strength to that democratic British free-trade party whose advent to power seems now so near at hand.

Desiring to conciliate working men, Congress enacted an eight-hour law, the true intent and meaning of which has been till now disputed. Moving in the same direction, the President to-day decides that those of them in the public service shall receive ten hours of pay for eight hours of work; and yet, at the close of nearly three months of his Administration, it is quite uncertain whether its policy *does*, or *does not*, look to compelling such men, farmers, miners, and mechanics, to compete, wholly unprotected, with Germans, Belgians, Frenchmen, and others, all of whom gladly work *a dozen hours per day*, greatly thankful for wages insufficient for enabling them to give to wives and children proper supplies of the commonest necessaries of life. Hesitating thus between the money borrowers on one hand, and money lenders on the other, republican leaders seem destined to lose the confidence of all, the great party itself thereafter passing from existence, leaving behind little but a remembrance of the great powers it had once possessed, and of the total failure of those in its direction properly to exercise them. For preventing this there is but a single course of action, and that is to be found in the frank and determined adoption of a broad, liberal, and really American policy—one that shall look to the thorough development of all our won-

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the financial history of the past four years he would be led to see that the policy he had so consistently advocated had been carrying us from, and not towards, resumption; and, that it had had the effect of making it now almost certain that the control of the Union would soon pass into the hands of men who disclaimed all liability for the public debt, and whose pecuniary interests were to be benefited by repudiation.

derful national resources; to the emancipation of our farmers and planters from the burthen of a tax of transportation compared with which that imposed by the national debt is utterly unimportant; and, more than all, to the recognition of a full equality of rights in reference to institutions of credit, among the whole people of the Union, North and South, East and West.

"Cut boldly!" said the sibyl to the hesitating Roman king. Let the Administration now take the same advice—let it "cut boldly," and on the American side, and all may yet be saved. Will this be done? I fear not! The Scotch have a proverb which says, that "He who wills to Cupar maun to Cupar,"—that is, he who is bent on self-destruction *will* find a way for accomplishment of his object. The Republican party has so long labored in that direction that it can hardly now be induced to enter on any other.

To face the difficulties created by recent finance ministers, and so to do it as to be enabled to overcome them, requires almost as much courage as had been needed for carrying on the war. With every manifestation of such courage, however, the work will become more easy, as confidence will thereby be revived among the great body of the people—those who have labor to sell and money to buy—those upon whom the hand of the late Secretary has so heavily been laid. With every step in that direction, there will arise new reason for hoping that rebels and copperheads may be prevented from obtaining direction of the State. Weakness and hesitation, on the contrary, in reference to the great economical questions now before us, can have no effect other than that of encouraging them, while correspondingly depressing those to whom the Government owes its present existence.

In October, 1857, being in London, I had a conversation with Mr. Dallas, in the course of which he asked when the Capitol was likely to be completed. In answer, he was told that "it would be about the time when the Union would be dissolved." "Why," said he, "is it going to be dissolved?" "Yes," replied I, "nothing *can* stand against the solvent powers of the tariff of 1846. It would destroy any country in the world." Most unwilling was he, of course, to believe this. And yet, since then the Union *has been* dissolved, the Capitol even yet remaining uncompleted.

In conclusion of an epistle that has greatly exceeded in its length the idea with which it had been commenced, allow me now to say that I do not at all insist on your believing any part of it. All I ask is, that it be read attentively, and then put carefully away to be re-read in November, 1872. You will then have seen whether or not my present predictions had been as thoroughly verified as before had been those in reference to the predecessors of President Lincoln and Louis Napoleon.

Accept the assurance of the regard with which I remain

Yours very truly,

HON. A. E. BORIE. HENRY C. CAREY.

Philadelphia, May 22d, 1869.

THE WAY TO OUTDO ENGLAND WITHOUT FIGHTING HER.

LETTERS

TO THE

HON. SCHUYLER COLFAX,

Speaker of the House of Representatives.

BY

HENRY C. CAREY,

AUTHOR OF "PRINCIPLES OF SOCIAL SCIENCE," ETC. ETC.

PHILADELPHIA:
HENRY CAREY BAIRD,
INDUSTRIAL PUBLISHER,
406 Walnut Street.
1865.

THE IRON QUESTION.

LETTERS

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Hon. SCHUYLER COLFAX,

Speaker of the House of Representatives.

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PHILADELPHIA:
COLLINS, PRINTER, 705 JAYNE STREET.
1865.

THE IRON QUESTION.

LETTER FIFTH.

DEAR SIR:—

OF all the metals there is none that, in its character of an instrument to be used for facilitating exchanges, does so much as is done by gold in promoting that combination of effort which is the essential characteristic of civilization. It is in that capacity only, however, that it performs such service. Coming to the hands of men ready for use, it makes little demand for combination in its preparation, the golden particles found in the miner's pan being almost as fully fitted for man's service as are the large pieces sent abroad from the mints of this city or of London.

Widely different is it with regard to that greatest of all metals by help of which we cultivate our fields, mine our coal, build our houses, and plate our ships. Coming to us in combination with an almost infinite variety of other materials, it requires all the aid that science can afford to make it fully available for human purposes. Century follows century, each in succession casting new light on its various properties, and with each of them is produced a power for greater combinations of effort, and a necessity for their existence. Thus promoting association it is the great civilizer, and therefore is it that in the extent and growth of its use we find the truest standard by which to test the existence and the growth of civilization. That admitted, and it cannot be denied, we may now proceed to inquire what has been the extent of its use among ourselves, and how far its several stages of growth and decline have been attended, on the one hand by peace and harmony at home, accompanied by growing steadiness of the societary movement; and, on the other, by those frightful crises by which that movement has so often been arrested, and which can be regarded only as the evidences of growing barbarism.

Forty years since, our annual product of this greatest of all metals did not exceed 50,000 tons. Under the semi-protective tariff of 1824 there was a steady increase, but it was not until after the establishment of the thoroughly protective tariff of 1828 that the manufacture attained any large development. By 1832 the product had reached 210,000 tons, and there was then every reason to believe that in a brief period the whole demand would be supplied at home. Prosperity then reigned throughout the land. Public and private revenues were large, and the national debt was in course of rapid annihilation. That, however, not being the state of things desired by "the wealthy capitalists" of England, railroad managers were set to work in and out of Congress, and railroad bars were made wholly free, while the duties on other commodities were left in a great degree unchanged. Shortly after this, however, agitation succeeded in producing a total change of system, the tariff of 1833 having provided for a gradual diminution of all duties, those on iron included, until, in 1842, they should stand at a dead level of 20 per cent. Thenceforward the building of furnaces and mills almost wholly ceased, the "wealthy English capitalists" having thus succeeded in regaining the desired control of the great American market for cloth and iron that had been so nearly lost to them. As a consequence of their triumph there ensued a succession of crises of barbaric tendency, the whole terminating, in 1842, in a scene of ruin such as had never before been known, bankruptcy among the people being almost universal, the banks throughout a large portion of the country being in a state of suspension, States being in a condition of repudiation, and the national treasury being wholly unable to meet its small engagements. Only seven years before, under protection, it had paid off, to the last dollar, the debt of the Revolution.

In 1832, as has been shown, the domestic production of iron having risen to 210,000 tons, civilization was rapidly advancing, with growing power among the people to contribute to the support of Government. Ten years later, with a population one-third greater, the total production of iron being but 230,000 tons, we find a growing barbarism, attended with corresponding decline in the power of the people to pay for maintenance of the trivial fleets and armies that then were needed for self-defence. Such was the result of the employment by British capitalists of that "great instrument of warfare against the competing capital of other countries," by means of which they have thus far succeeded in rendering the Declaration of Independence, issued in 1776, a mere form of words, and so destined to remain until our people shall fully learn that combination for our subjugation needs to be met by *combination for self-defence.*

Universal distress producing a universal demand for remedy, it was furnished by the establishment of that highly protective tariff of 1842, under the influence of which, in less than half a dozen years, the production of iron was carried up to 800,000 tons, and the total consumption of foreign and domestic to 900,000. Six years previously, under British free trade, it had been only 300,000. Here was evidence of advancing civilization, and it was accompanied by that higher evidence which was furnished by the facts that individuals, banks, and States resumed payment of their debts, while the treasury was enabled not only to meet the usual demands upon it, but also to provide, and that without the slightest difficulty, for the expenses of the war with Mexico. Throughout this period there was no excitement, nor was there any crisis. All was peace and harmony, and everywhere in the land there was evidence of rapidly advancing civilization.

The proverb says most truly that "you may bray a fool in a mortar, yet will his foolishness not depart from him." Never, however, has its truth been more fully proved than in these United States. Their people had been "brayed" in the British free trade "mortar" in the terrible period from 1815 to 1825. They had been restored to perfect health in the protectionist period from 1825 to 1835. They had again been "brayed," and to an extent that till then had not been paralleled, in the years from 1835 to 1842. Protection had again restored them in the brief period from 1842 to 1846; yet did they remain so "foolish" as to prove themselves once again open to the blandishments of their excellent *friends* beyond the ocean, "the wealthy capitalists" of Britain, who had been enriched by means of buying their rabbit *skins* at sixpence each and then reselling to them the *tails* at a shilling, and who now found themselves in danger of wholly losing the "foreign markets" they had so long labored to secure. As usual, agitation was recommenced. British agents, with stocks of cheap British goods, were sent to Washington, and the halls of the Capitol were granted to them for the exhibition of their wares. Large sums were raised in England, and politicians here were subsidized. Estimates were furnished to the Senate, in which it was shown that the taxation imposed by the tariff was so oppressive that a ton of nails which could be bought for $90, really cost the purchaser $105 *more* than it would have done under a free trade system; and that a pound of Missouri lead, that could then be bought in New Orleans for 2¾ cents, actually cost the consumer three cents *more* than he would have had to pay had he been permitted to get his lead free of duty from Spain or England. Such were the "instruments of warfare" used on that occasion for beating down the system under which the country had so rapidly recovered from the effects of the free trade tariff of 1833. Such were the frauds by means of which the tariff of 1846 was forced upon a country that had already, in the short period of thirty years, twice been "brayed" in the free trade "mortar," and twice had found the effects thereof in an almost entire stoppage of the societary circulation, and an almost absolute bankruptcy of the farmers, traders, bankers, and manufacturers of the country.

Nominally, that tariff came into operation at the end of 1846. Really, it became operative in the summer of 1848, the Irish famine of 1847 having produced a state of things, both abroad and at home, that much delayed its destructive action. From that moment furnaces and rolling mills went gradually out of action until, in 1850, the quantity of iron produced had fallen to less than 500,000 tons. Was the deficiency made up by importation? It was not, the import of that year having exceeded that of 1846 by only 270,000. The whole consumption was, therefore, little more than previously had been the domestic product alone. Nevertheless, our population had then increased but little less than ten per cent. We see thus, that while consumption advances under protection at a rate five times more rapid than that of population, it declines whenever the "wealthy capitalists" obtain the control of the "foreign markets" to which they look with such great anxiety, and for which they are always ready to use that great "instrument of warfare" that we, in our marvellous folly, have placed in their hands, by means of selling *skins* for sixpence and taking our pay in *tails* at a shilling.

The duty under the tariff of 1842 being specific, it underwent no change when prices fell in England. To its full amount, therefore, it constituted an obstacle to importation that it was for the British iron master to remove, paying the cost of removal out of his own pocket and into the Treasury of the Union. As a consequence of this the import of rails in the fiscal year 1846–7, when the country was so highly prosperous, was but one-half as great as the average of the two years preceding the passage of the act of 1842; whereas, the domestic production had risen to 41,000 tons, or little less than double the number imported in those thoroughly free trade years. The total consumption had more than doubled in the short period which had then elapsed, and had thus given evidence that thorough protection and civilization were marching hand in hand together.

The tariff of 1846, with its *ad valorem* duties, came into operation on the first of December of that year, the rate payable by iron being 30 per cent. Fraudulent invoices reduced it, probably, to little more than 20 per cent. American competition had greatly lowered the real British prices, as a consequence of which the amount paid into the treasury by foreign iron and the freight from England combined, during a period of several years, were less than the mere cost of transportation from the furnaces of Pennsylvania to the city of Boston. The "wealthy English capitalists" now profited, and to the fullest extent, of the opportunity thus afforded them "to destroy foreign competition and to gain and keep possession of foreign markets." In 1849 and 1850 the quantity of foreign rails forced on the American market amounted to more than 200,000 tons, while the domestic production of those years averaged but 16,500, although there then existed American mills capable of producing nearly 70,000, and those in a country in which eight years before not a single rail had yet been made.

The furnace master found his market destroyed by the closing of the rolling mill, and the owner of the latter found himself being ruined by the liberal use that then was being made of those "great instruments of warfare," by means of which the "wealthy capitalists" of England had so long been accustomed to annihilate "the competing capital of other countries." In their distress they called on Congress for help, but their cries were totally unheeded. British iron, at the then freights, and almost free of duty, could be delivered here, as then was shown, at $40 per ton; and railroad makers preferred to pay that price for the miserable products of British furnaces, to giving a sliding scale that would secure to the American producer, for sound and excellent iron, the small price of $50, which was *all that then was asked.* Closing their eyes to the fact that it was to American competition for the sale of iron they had been indebted for the low prices of the British markets, they permitted that competition to be almost annihilated, and the competitors to be ruined. The fall of the domestic production from 800,000 tons to less than half a million, produced a necessity for dispensing with its use, or going abroad to purchase all the difference. Competition for purchase in the British market grew as this necessity increased, and therewith came the precise state of things so well described in the Report to which I have so frequently referred—the whole British iron trade having been "enabled to step in when prices revived, and to carry on a great business" before their American competitors could "establish a competition in prices with any chances of success." With the discovery of California gold there arose a great demand for railroad iron, and that demand was, for the first few years, supplied almost entirely from British rolling mills, the railroad makers paying $80 per ton, if not even more, when but a little before they had refused to the domestic producer a sliding scale that would have secured him in the receipt of $50. At enormous prices Britain supplied us, in the four years 1851–54, with no less than a million tons of railroad bars. The additional price paid in those years by American road-makers, as penalty for permitting American competition to be crushed out, could not have been less than $30,000,000, all of which went into British pockets, and thus helped to prepare the way for that new evidence of growing barbarism which was furnished by the terrific crisis of 1857.

In that crisis very many of our iron producers were totally ruined, and the ruin extended itself to all departments of industry connected with this branch of manufacture. The demand for coal diminished, and labor ceased to be required; as a necessary consequence of which immigration rapidly declined, while emigration to Australia, combined with return of the many disappointed, withdrew from us probably one-fourth of all who then were led to seek our shores.

At the breaking out of the rebellion we had been for a whole decade in the ownership of mines that had yielded gold to the extent of more than $500,000,000, and yet we had not been able even to pay our way with Europe. Our foreign debts were probably equal to that sum in their amount. Our credit was so very low that there existed little disposition to purchase further supplies of bonds. As a consequence of this, the importation of railroad iron in the three years 1858–60 averaged but 88,000 tons, and the total consumption of iron, foreign and domestic, but little exceeded that of the closing year of that prosperous protective period which terminated in 1847–8. There is good reason for believing that it did not exceed a million of tons, and yet in the period which had since elapsed our population must have increased more than 40 per cent. Taking then the consumption of iron as the test of civilization, we are presented with the following facts:—

In the six years which followed the passage of the protective act of 1842 the consumption of iron trebled, while the population increased but 20 per cent.

At the end of twelve years from the re-establishment of British free trade, there was but a slight increase, although the numbers of our people had grown 40 per cent.

Bad as was all this, it was but the preparation for those further acts of barbarism which distinguished the close of 1860, and resulted in a civil war that has cost the country hundreds of thousands of lives, and thousands of millions of dollars. Seeking now to find the real cause of that war, and of the destruction of life and property of which it has been the cause, I would ask of you, my dear sir, to read again the Parliamentary Report of the British policy, and then to study carefully the following exhibit of the natural advantages of an important portion of the country that now presents such a scene of devastation.

The great backbone of the Union is found in the ridge of mountains which commences in Alabama but little distant from the Gulf of Mexico, and extends northward, wholly separating the people who inhabit the low lands of the Atlantic slope from those who occupy such lands in the Mississippi valley, and itself constituting a great free soil wedge, with its attendant free atmosphere, created by nature herself in the very heart of slavery, and requiring but a slight increase of size and strength to have enabled its people to control the southern policy, and thus to have brought the entire South into perfect harmony with the North and West, and with the world at large. That you may fully satisfy yourself on this head, I will now ask you to take the map and pass your eye down the Alleghany ridge, flanked as it is by the Cumberland range on the west, and by that of the Blue Mountain on the east, giving, in the very heart of the South itself, a country larger than all Great Britain, in which the finest of climates is found in connection with land abounding in coal, salt, limestone, iron ore, gold, and almost every other material required for the development of a varied industry, and for securing the attainment of the highest degree of agricultural wealth; and then to reflect that it is a region which must necessarily be occupied by men who with their own hands till their own lands, and one in which slavery can never by any possibility have more than a slight and transitory existence. That done, I will ask of you here to reflect what would be now the condition of the Union had its policy for the last twenty years been such as would have tended towards *filling this great free soil wedge with free white northern men*—miners, smelters, founders, machinists—workmen of all descriptions—who should have been making a market for every product of the farm, with constant increase in the value of land and labor, and as constantly growing tendency towards increase of freedom for all men, whether black or white? Would not, under such circumstances, power have made its way to the hills, and would not iron, coal, limestone, and copper have been enabled to dictate law to the cotton kings—to the men who occupied on the river bottoms, and lived at ease at the cost of those of their fellow-men whom they bought and sold in the open market? Could we, by any possibility, have witnessed the present extraordinary state of things, had the policy of the country in reference to domestic and foreign commerce not been directed by the "wealthy capitalists" who are now so busily engaged in making rat-holes through the existing tariff, very moderately protective as it is? Most assuredly we should not. *To* them it is that we are indebted for our present troubles and our debt, and *of* them it is we should exact the payment of it. That, however, we shall never do if we shall continue to sell rabbit *skins* for sixpence and take our pay in rabbit *tails* for a shilling.

Why have we so long continued so to do? Because, although Independence was declared in 1776, we have never pursued the policy required for making the declaration any more than a mere word of small significance. With slight exception we have been governed by the great capitalists of Britain, and have pursued the precise system that was advocated in England before the Revolution as the one required for retaining the Colonies in a state of vassalage, and thus compelling them to so make the unprofitable exchanges to which I have referred. What was that system is fully shown in an English work of much ability, published in London at the time when Franklin was urging upon his countrymen the diversification of their pursuits, as the only road towards real independence, and from which the following is an extract:—

> "The population, from being spread round a great extent of frontier, would increase without giving the least cause of jealousy to Britain; land would not only be plentiful, but plentiful where our people wanted it, whereas, at present, the population of our colonies, especially the central ones, is confined; they have spread over all the space between the sea and the mountains, the consequence of which is, that land is becoming scarce, that which is good having all been planted. The people, therefore, find themselves too numerous for the agriculture, which is the first step to becoming manufacturers, that step which Britain has so much reason to dread."

Why, my dear sir, should Britain have so much dreaded combination among her colonial subjects? Why should she so sedulously have sought to disperse them over the extensive tracts of land beyond the mountains? Because, the more they scattered the more dependent they could be kept, and the more readily they could be compelled to carry all their rude products to a distant market, there to sell them so cheaply, as we are told by another distinguished British writer, "that not one-fourth of the product redounded to their own profit," as a consequence of which plantation mortgages were most abundant, and the rate of interest charged upon them so very high as generally to eat the mortgagor out of house and home. In a word, the system of that day, as described by those writers, was almost precisely that of the present hour. For its maintenance, dispersion of the population was regarded as indispensable, and that it might be attained, the course of action here described was recommended:—

> "Nothing can therefore be more politic than to provide a superabundance of colonies to take off all those people that find a want of land in our old settlements; and it may not be one or two tracts of country that will answer this purpose: provision should be made for the convenience of some, the inclination of others, and every measure taken to inform the people of the colonies that were growing too populous, that land was plentiful in other places, and granted on the easiest terms; and if such inducements were not found sufficient for thinning the country considerably, government should by all means be at the expense of transporting them. Notice should be given that sloops would be always ready at Fort Pitt, or as much higher on the Ohio as is navigable, for carrying all furniture without expense, to whatever settlement they chose, on the Ohio or Mississippi. Such measures, or similar ones, would carry off the surplus of population in the central and southern colonies, which have been

and will every day be more and more the foundation of manufactures."

Having studied these recommendations in regard to the maintenance of colonial dependence, I will ask you now to study the working of the British free trade system, and satisfy yourself that its advocates, the *agitators* of whom I have spoken, have been mere instruments of our foreign masters—closing our mills, furnaces, and factories, retarding the development of our great mineral treasures, preventing the utilization of our vast water powers, and in this manner scattering our people, in strict accordance with the orders of those British traders against whom our predecessors made the Revolution.

Having now brought up this review of the iron trade to the period of the great rebellion, I propose in another letter to bring it down to the present time, and then to show what are the measures by which we may be enabled to *outdo England without fighting her*, and thus establish a real independence.

Yours, very truly,

HENRY C. CAREY.

Hon. Schuyler Colfax.

Philadelphia, Jan. 6, 1865.

THE IRON QUESTION.

LETTER SIXTH.

DEAR SIR :—

THE preparation seems to have now been made for boring another hole through the protective system that has recently been so well established. This time it takes the form of a protest, of course in favor of the public revenue, against duties on spool cotton, under which, as we are told, "foreign spinners are now suffering in their attempts to contend against these heavy odds whereby importation is now stopped." Large exhibits are made therein of the quantity of gold that is thus prevented from passing into the treasury, but not a word is said in reference to the important fact, that, under the system which has thus far made us dependent on Britain for that important commodity, we have never yet been able to carry up our consumption even to the amount of six cents per head of our population. Selling cotton at three or four pence per pound we have been required to pay in gold, to the extent of millions of dollars per annum, for pennyweights of it combined with Russian and Egyptian corn, while the farmer of Iowa, unable to find a market for his grain, has found it expedient to convert it into fuel, and thus prevent its total waste. Here, as everywhere, we have been favoring the policy of slavery and barbarism, limiting our people to the raising of raw produce for the supply of distant masters, by whom they have been required to give the whole skin for a sixpence, receiving their pay in tails at a shilling. The answer to all that is now said in regard to the opening of the new rat-hole which is now proposed, is found in the words of the excellent article from the *Herald*, a part of which was appended to a former letter : "*If the price is very large and the demand is great, manufactories will spring abundantly into existence and prices will find their natural level.*" If the British manufacturers are really suffering in the manner above described, let them transfer themselves and their machinery here; let them bring their people with them to eat the food of Illinois and Iowa in place of that of Egypt; let them do this and the price of their commodity will soon be so far lessened that our consumption will rise to 20 cents per head; the Government will then receive, in the form of internal revenue, an amount far greater than these foreign agitators ever yet have paid at the custom-house; and we shall then have made a further step towards enabling ourselves to retain at home the gold that we ourselves shall so much need when the time shall have arrived for using the precious metals in the place of paper.

Having thus disposed of this new subject of agitation, the further examination of the great Iron Question comes now next in order.

To British free trade it is, as I have shown, that we stand indebted for the present civil war. Had our legislation been of the kind which was needed for giving effect to the Declaration of Independence, that great hill region of the South, one of the richest, if not absolutely the richest in the world, would long since have been filled with furnaces and factories, the laborers in which would have been free men, women, and children, white and black, and the several portions of the Union would have been linked together by hooks of steel that would have set at defiance every effort of the "wealthy capitalists" of England for bringing about a separation. Such, however, and most unhappily, was not our course of operation.

Rebellion, therefore, came, bringing with it an almost entire stoppage of the societary movement, with ruin to a large proportion of those of the men engaged in producing coal and iron who had still continued to exist notwithstanding the heavy losses inflicted upon them in the sad five years which had just then elapsed. More than at any previous period the Government stood then in need of iron in all its shapes, from the needle with which the poor sewing woman makes the shirt, to the great sheet required for plating the enormous ship of war; and yet, such had been the extraordinary policy of the country that, while fuel abounded rolling mills were idle and furnaces were out of blast, and the machinery for the needle and the plate had not as yet been permitted to take its place at any single point over our extensive surface. As a consequence, poor as was then our Government, and unemployed as were then so large a portion of our people, we were compelled to send abroad for millions upon millions of dollars worth of the machinery of war, and there to encounter all the obstacles that could decently be thrown in our way by men who prayed openly for the success of the rebellion, and who, almost at the instant of its first occurrence, had, by royal proclamation, placed the rebel Government on a level with that which their predecessors had, in 1783, so unwillingly recognized. This great adversity had, however, brought with it a remedy that, if now properly applied, will cause our children and our children's children to look back to the period of its occurrence as that in which there had been an act of Providential interference in favor of a community such as had had no precedent in the history of the world, prompting, as it had done, men who for seventy years had wholly controlled the action of the Government, to abdicate their seats and leave the direction of affairs to those who represented the poor and despised "mud-sills" of northern States. So great an act of insanity had never before been perpetrated by any body of intelligent men, and, most fortunately, its perpetration occurred at the moment when the public opinion of the North had been prepared to profit of it.

That preparation had come as a natural consequence of the terrific free trade crisis of 1857. Assembling in 1860, the politicians at Chicago accepted most unwillingly that new plank of the platform by which "protection to the farmer in his efforts for bringing the consumer to his side" was incorporated into the Republican creed; and great was their surprise when they found that public opinion, and especially the opinion of the great Mississippi Valley, had left them far behind. "We might have made it stronger," was the exclamation of one of its chief opponents after he had witnessed the enthusiastic applause with which it had been greeted. As yet, however, it could be nothing more than a declaration of good intentions to be carried into effect at some future time, the senatorial power appearing then likely long to remain in the hands of men who believed in human slavery as the corner-stone of all free government; in British free trade as the means by which slavery was to be perpetuated and extended throughout this continent; and in the "wealthy capitalists" of England, as the firm allies by whose aid their ambitious hopes were to be fully realized. To give practical effect to the new Declaration of Independence, it was necessary that those men should abdicate, and happily for the North, and for the world, abdication was not long delayed. Protection then at once became the law of the land, and under circumstances that should have tended to free forever the country from that agitation by means of which the British trader had so long controlled the societary movement, and had, with so much profit to himself, been enabled to fill the British treasury by means of taxes, direct and indirect, upon nearly all the foreign exchanges that our poverty had permitted us to make. Between skins at sixpence and tails at a shilling—cotton at cents per pound and cotton goods at shillings per ounce—corn at cents per bushel and wool and corn at dollars per pound—there was a large margin for the British trader and his superiors, and out of the taxes thus extorted have, to a large extent, the British nation and its government been supported by the people of these United States. Protection looked to the abolition of this taxation. That it has done much in that direction is proved by the great fact, that it has enabled us to contribute thousands of millions of dollars towards the suppression of the rebellion; that it has in so short a period given us a navy such as had been so long required for setting at naught the declaration that "not a flag but by permission spreads;" and that, notwithstanding all our vast expenditures, the productive power of the loyal States is greater at this moment than was that of the whole Union on the day on which, less than four years since, President Lincoln assumed the reins of government.

The need for iron soon became very great. Great, too, was the disposition of iron men to exert themselves for the supply of the wants the rebellion had now created. The Government had just then pledged itself to stand by them in their contest for the market of the world, at home and abroad, with the men who had so long controlled "that great instrument of warfare" by whose judicious use their predecessors had so generally been ruined. The pledge was accepted, and the results exhibit themselves in the facts:—

I. That the production of pig-iron has already been carried up to more than 1,300,000 tons, and that it has been made certain that large as is the quantity, it can with ease, provided that the labor can be obtained, be trebled in the next seven years:

II. That the rolling-mills of the country have now a capacity of nearly 700,000 tons, and that the only difficulty now standing in the way of the production of that quantity of sheet and bars is the one resulting from the scarcity of labor:

III. That the supply of railroad iron is now fully equal to the demand, and can be increased to any extent that may be required:

IV. That the conversion of iron into steel has been so much extended as to free us entirely from any further dependence on the "wealthy capitalists" of Britain:

V. That works required for the conversion of steel and iron into the various other machinery required for both public and private uses have been so extended as to enable their proprietors to meet the whole demand.

The industrial history of the world exhibits nothing at all comparable with what has here been done in regard to this great branch of manufacture. That it might be done every man who previously had been interested therein has been required to apply to the enlargement and improvement of his machinery not only every dollar that he could make, but, in very many cases, all that he could borrow; and this they have done in the false confidence that consumers of iron had at last so far profited of past experience as to have become convinced that the way to have good and cheap iron was to be found in the direction of stimulating competition for its manufacture; and not in that of annihilating American competition for its *sale*, while promoting competition for its *purchase* from the very men who had always used their power in the direction of promoting agitation for the destruction of "foreign competition," and for enabling themselves to "gain and keep possession of foreign markets."

That it *was* a false confidence you will, my dear sir, see, after you shall have accompanied me in a brief review of the proceedings of iron consumers which it is proposed now to make. When you shall so have done, you will, as I think, agree with me that it would be difficult to find in the history of the world a case in which the proverb given in my last had been more thoroughly applicable than it now is in reference to the iron consumers of these United States. Often as they had been "brayed" in the British free trade "mortar," their "foolishness" had not departed from them.

By the tariff of 1861 the duty on railroad iron was fixed at $12 per ton of 2,240 pounds, being less than one-half of the charge upon it as established by the tariff of 1842—that one under which iron generally was so cheaply furnished that the total consumption of the country was in four years carried up from 300,000 to 900,000 tons. It should have been placed at a higher rate than this, and so it would have been but for the exceedingly absurd and stupid jealousy which prompts so many persons to consider the iron manufacture the special property of Pennsylvania. Iron ore abounds in more than two-thirds of the States of the Union; fuel, too, almost as much abounding as the ore demanding to be smelted; and it is to the great credit of Pennsylvania that her ironmasters have never in a single instance allowed themselves to be influenced by the narrow idea, elsewhere openly expressed in regard to other branches of manufacture, that it was needed to "keep protection down, lest it might stimulate domestic competition." If there are any ironmasters in the country who can live without protection, they are those of that State. They are the men who have paid most dearly for their experience. To them the country is indebted for the fact that this great branch of manufacture, in nearly all its processes, is now ahead of Britain. They, however, know that Tennessee and Alabama, Missouri and Michigan, Virginia, Maryland, and Ohio, need protection; and they desire that they shall have it, quite assured that in the wide extension and general prosperity of the manufacture in which they are so well engaged will be found the key to that universal prosperity which enables men to extend their roads, to increase and improve their machinery, and to do all those things that make demand for iron and thus furnish proof conclusive of advancing civilization. Least in need of it, they stand foremost in the demand for efficient protection, asking it in the interest of the country at large, and not, as is in so many other cases done, exclusively in their own.

Accepting the rate of duty that had been fixed, they went promptly to work, and with the results that have been shown. The time came, however, when it became necessary to establish a system of Internal Revenue, and railroad iron was then subjected to a direct tax of $1 50 per ton, while upon coal and other commodities used in its production heavy duties were imposed. Incomes, too, were required to contribute, the general rate of contribution, by both the manufacturer and the receiver of income, being fixed at *three* per cent.

The war having thus produced a necessity for taxing both the materials of manufacture and its products, it was deemed proper to subject the foreign manufacturer to the payment of a like contribution, and duties generally were raised to the extent of *five* per cent. To this, however, railroad iron was made an exception, the addition having been limited to the precise amount of the direct tax, $1 50 per ton, and no allowance whatever having been made for the taxes on coal, lime, machinery, or incomes. Such, my dear sir, was the paltry spirit in which were met the men who were at that moment, in their efforts to meet the wants of the Government, manifesting a larger liberality than any other body of men that could have been produced in the whole extent of the Union.

The necessity for further revenue becoming obvious, the last session of Congress gave us a new excise law by means of which pig metal was for the first time subjected to a tax, and that to the extent of two dollars per ton, the tax on coal being at the same time largely increased, and that on rails more than doubled, the general effect being that of giving a tax on the rail itself amounting to seven dollars per ton.

To this must now be added taxes on lime and other raw materials—taxes on machinery to a large amount—income taxes—taxes on licenses—taxes on sales—taxes on freights—taxes on leases—taxes on salaries—taxes on charters, notes of hand, and articles of agreement—the whole of which, when added to the $7 already obtained, will give at least $8 50 as the contribution in these several forms to be paid by each ton of railroad bars.—Adding now to this the large increase, consequent upon the existence of the war, of state, county, township, and borough taxes—the contributions for obtaining volunteers and for maintaining their families, it will be found that the amount, under this new law, furnished by each ton of bars, for the maintenance of the contest, cannot be estimated at less than $10.

Having thus shown what was the pressure brought by the Government to bear upon the men who were giving all their time, mind, and means to building up that great manufacture on which now rests the whole of our great societary machine, *and upon whose success or failure is dependent the whole future of this Union*, I propose in my next to show what were the measures at the same time adopted by the Government for enabling them successfully to compete with those "wealthy English capitalists" who were then giving all their time, mind, and means to the work of vilifying our people, destroying our credit, breaking our blockades, destroying our ships, and in every other way aiding a rebellion whose success, as they saw, could have no other result than that of reducing the country to a state of complete dependence.

It is with great regret, my dear sir, that I make so many demands upon your time and attention, but the question now to be settled is one of so great importance that you will, I am sure, excuse me.

When the present war shall have been closed there will be another to be fought, and that one will be with England. By many it is desired that it may be a war of cannon balls; but it is not now with such machinery that she chiefly seeks to fight us. It is in the Halls of Congress she is to be met, and the machinery with which we have successfully to meet her is to be found in the adoption of those measures which shall enable us most speedily to profit of that inexhaustible store of fuel and of ores that nature has placed at our command. So believing, and hoping that all my countrymen may soon be led to the conclusion that there really is a way to *outdo England without fighting her*, I am, with great regard and respect,

Yours, very truly,

HENRY C. CAREY.

Hon. Schuyler Colfax.

Philadelphia, Jan. 9, 1865.

THE IRON QUESTION.

LETTER SEVENTH.

DEAR SIR :—

That the power to prosecute the war in which we are engaged has been derived mainly from the Mining States, must be obvious to all who take the trouble to reflect that for the force by which our mills have been driven and our blockade maintained, and the iron by means of which that force has been applied, the Union has had to look almost entirely to the mountains of Pennsylvania. But for the energy with which the mineral resources of that State have been developed the war could not have been maintained for even a single year. To their further development, and to that of her sister Mining States, the Union has now to stand indebted for its power to collect the revenue by means of which its credit is to be maintained, its wars, present and future, to be carried on, and its debt ultimately discharged. *Failing to secure that development it must itself prove a failure, absolute and complete.*

Seeing this, and it is so clearly obvious that it would appear difficult that any should fail to do so, it might be supposed that coal and iron, as the foundation upon which now rests, and must in all the future rest, our whole societary movement, would, in these trying times, and after the sad experience of the *blessings* of British free trade, have been regarded as *entitled to peculiar care.* That prior to the last Session of Congress they had not been so regarded, and that, on the contrary, of the little that had been given by one hand much had been taken away by the other, has been already shown. That the movement since that time has been in the same unfortunate direction, it is proposed now to show.

The total taxation of a ton of railroad bars, for the maintenance of the war, cannot be taken at less than $10. Before the passage of any tax law the duty had been fixed at $12, that having been the smallest sum to which it had been possible to obtain the assent of the Mining States. Under the first tax law the charges of the Government to the domestic producer may be taken as having been not less than $3, while the additional payment required of the foreign producer was limited to $1 50. Since then the former have been more than trebled, and it would have been but just to carry up the latter to the same extent, thereby compelling the British iron master to pay $20. Instead of that, his contribution was *reduced* to the point at which it had stood on the day on which Fort Sumter fell. Such was the manner in which the decision of the Chicago Convention was carried into effect in regard to a manufacture upon the success or failure of which was wholly dependent the answer to be given to the questions as to whether or not the Government was to be sustained; whether or not the interest on the debt was to be paid; whether or not specie payments should ever be resumed; whether or not the national debt should ever be discharged?

It may, however, be said that the duty of $12 is payable in gold, while the $10 of taxes are payable in paper, and such is certainly the case. *That difference now constitutes the sole protection to this great branch of manufacture.* When, however, is it to cease? Who can tell what time is to elapse before some enterprising financier shall succeed in persuading the Government to the adoption of measures tending to the sudden reduction, at any cost to the people, of gold to par? Such measures are, as we all know, now advocated in some of the most influential Republican journals, and they have, as I have good reason to believe, received the approbation of men of the highest standing connected with the Administration. That they would be suicidal in their tendency cannot be received as furnishing even the slightest evidence that they will not be adopted, seeing that we have now before us evidence that gentlemen connected with railroads have so entirely failed to profit by experience which should have taught them that the cheap British iron of 1864 was but the trap by help of which they were to be made to pay probably twice the price for just such iron, poor as it generally is, in 1866. Time and again have they and their predecessors been brayed in the British "mortar," yet has their "foolishness" not yet departed from them.

The direct contribution of pig and bar iron to the revenue can scarcely this year be taken, as I think, at less than $5,000,000. Add to this the taxes on coal, lime, transportation, incomes, &c. &c. &c., and we shall obtain probably double that amount. This woud seem to be a large sum to put at risk, and yet it is as nothing compared with the extent of risk that is to be incurred, the coal and iron trades of the country constituting the foundation upon which this day rests our whole system of internal revenue. Break *them* down, as they will be broken if the system be not promptly changed, and the Government will, before the lapse of even a single year, become so utterly bankrupt that its certificates of indebtedness will have little more value in the public eye than have this day those of the so-called Confederacy of the Southern States.

To those who may entertain any doubts on this subject I would recommend reflection on the following facts :—

I. The consumption of iron is the test of growing civilization, strength, and power.

II. That consumption doubled in the protective period from 1828 to 1834, our numbers meanwhile increasing but 20 per cent.

III. Eight years later, in 1842, with British free trade and an increase of numbers amounting to 30 per cent., the quantity consumed had made scarcely any progress whatsoever.

III. Thence to 1848, under protection, with a growth of population of but 20 per cent., it trebled—having already reached the large amount of 900,000 tons.

IV. Twelve years now follow, spent under the British free trade system, giving us—an increase of population to the extent of nearly 40 per cent.—the great discovery of California gold with corresponding increase in the necessity for internal intercourse—and an increase in the consumption scarcely, if at all, exceeding 12 per cent.

V. In the three years that have now elapsed since the Morrill tariff became fairly operative, the population subject to it has been less by a third than that of 1860, and yet the consumption now exceeds 1,300,000 tons, having increased more than 30 per cent.

In the first and third of these periods every branch of manufacture was prosperous, and the power of the people, at their close, to contribute to the support of Government was thrice greater than it had been at their commencement.

In the second and fourth every branch of manufacture was prostrate, and the power at their close to contribute to the support of Government had been almost entirely annihilated.

In the fifth there has been an activity of commerce that before had not been paralleled, as a consequence of which our people have been enabled to contribute to the support of Government hundreds of millions, and with far more ease than in 1860 they could have furnished tens of millions. Our whole experience proves, then, that power for maintaining the Government grows or declines almost geometrically as the consumption of iron increases or decreases arithmetically.

Having reflected on the facts thus presented, I would now, my dear sir, beg you to answer to yourself if our iron consumers, in the course they have recently adopted, have not furnished proof conclusive that they are of the same race precisely with the Bourbons, of whom it was said on their return to France on the downfall of Napoleon, that they had not profited by their long experience of the troubles of exile to learn anything they had not previously known, or to forget any of the prejudices with which they had started. Both alike had been "brayed in the mortar" of experience, yet had they remained as "foolish" as at first.

Such having been the course pursued in regard to this great fundamental branch of manufacture, let us now look to that presented in reference to another and very subordinate branch that has just now been brought into discussion—that of spool cotton. By the tariff of 1861, the duty thereon was fixed at 24 per cent. By that of 1862 it was raised to 30 per cent. That of 1863 made it 40. Again raised in 1864, we find it to be a combination of specific and ad-valorem duties that compels the foreign producer to pay more than four times as much in gold as is paid by the domestic one in paper. The domestic iron producer, on the contrary, pays nearly as much in paper as the foreign one pays in gold. The domestic paper producer pays more than half as much in paper as the foreign manufacturer pays in gold, the great fundamental industries being thus almost entirely abandoned to the "tender mercies" of "wealthy English capitalists," while the minor ones are placed in a condition to feel themselves entirely secure.

The "absurdity" of all this is most remarkable, the market for thread, cloth, books, and all other commodities being almost wholly dependent upon the prosperity of the great coal, iron, and paper producing interests. Such legislation would find its fittest legislator in the man who should spend his mornings in carefully trimming the branches of his trees while his evenings were as assiduously employed in cutting away their roots.

To what cause is such "absurdity" to be attributed? In great part to the existence of that powerful British combination so well described in the Report to Parliament heretofore given, and in no inconsiderable part to a necessity that was, at the date of the Congressional action above described, supposed to exist for "punishing Pennsylvania." Almost inconceivable as it may seem that such should be the grounds on which was based the decision of one of the greatest of national questions, that it was so based there is not, as I believe, the smallest reason to doubt. Assuming it so to have been, it may not be, my dear sir, improper here to ask your attention to a few facts in relation to the past and present of the great State which then was held to stand so much in need of *punishment.*

As New England furnishes us the type of that portion of our population which has occupied New York, the northern edge of Pennsylvania, northern Ohio, Indiana, and Illinois, Michigan, and other Northwestern States, so do Pennsylvania and New Jersey give us the type of the population of a great belt of territory, 120 miles in breadth, and ten times that in length, now containing more than 10,000,000 of as industrious and active people as can be found elsewhere throughout the world. When, therefore, Pennsylvania speaks, she does so as the representative of the opinion of all those millions, and therefore is it—and not because of her own particular strength—that it has grown into a proverb, that *as Pennsylvania goes, so goes the Union.*

How *has* she gone in those two great crises which, since the peace of 1783, most have "tried men's souls"—those of the institution in 1788 of the present government, and at later ones of the past four years? Let us see.

The Constitution, as adopted by the Convention of 1788, placed the smaller States, as regarded Senatorial representation, on an equal footing with the larger ones, and hence gave great offence to nearly all of these latter. The single exception to this was found in Pennsylvania, which, first of all to consider that great instrument, was first of all, with the single exception of the little State of Delaware, to ratify it. Months elapsed before her example was followed by Massachusetts and Virginia, while something closely resembling compulsion was required before it was accepted by New York.

In that great crisis Pennsylvania, by her remarkable magnanimity, earned the title of the Keystone State, but whether or not it was then that it was given to her, I have no means of knowing. Certain it is, that but for her prompt and decided action the Union, as it since has been, would never have been accomplished.

Coming now to the second great crisis, that in which we are now involved, let us see how she has gone, and how far her action has tended to maintain that Union which had been indebted to her for all its previous existence.

I. Scarcely had the first call of the President been fully met before she applied herself diligently to the creation of a large and fully appointed army, whose acceptance was urged upon the Government. Had it been accepted, the Bull Run battle would probably have had a very different termination. Had it not existed, the war might, and probably would, then have ended in the capture of Washington.

II. In three years and a half she has furnished to the army, exclusive of militia and ninety days volunteers, above 300,000 men, or more than a tithe of her whole population. Had all the loyal States done as much, the whole number supplied by them would have exceeded 2,000,000. Always among the first, even when not actually first in point of time, she has never been behind any in point of numbers.

III. Always ready in the field, she has been equally so at the polls. When New York had abandoned the national cause, and when the whole future of the country had become dependent upon the question whether she would, or would not, place herself side by side with that State and New Jersey and thus cripple the Federal Government, she gave in her adhesion to the great cause, and by a majority that, allowing for the absent troops, was greater than it had been at the first. Had she acted differently on that occasion, the war must have come to an end, and the Union must have ceased to exist. From first to last, therefore, she has proved herself to be *the Keystone State.*

IV. In her Commercial Capital, she has given the most loyal city of the Union; the one that has, in proportion to its means, furnished the largest contributions; that one which alone has fed the tired and hungry soldier, from whatsoever State he has hailed; and that one towards which the cold shoulder of the Government has invariably been turned.

Such having been the course which has so recently subjected her to "punishment," we may now, my dear sir, without impropriety, look for a moment to the machinery by means of which it has been administered. As it was at the time explained to me, it was as follows: Leader in the action was a British agent, representative of those "wealthy English capitalists," who furnish "great instruments of warfare against the competing capital of other countries," by means of which they "gain and keep possession of foreign markets." Iron being abundant and cheap in England, a considerable quantity had been shipped to him, and he was naturally anxious to economize the contribution to be paid thereon to the Federal Government—that one for whose destruction his masters were then so anxiously laboring. As it chanced, some little Western roads stood in pressing need of iron, and money was then so scarce with them that the saving of a few thousand dollars thereon was deemed a matter of much importance. For accomplishing that saving it was needed that they should obtain a change in the tariff law. Forthwith, they and their English friends set themselves to *prove* that the wear and tear of roads was twice as great as it really had been, the producing power of American mills being at the same time *proved* to be less than half of what we know to be its actual amount. Other roads, the managers of which were thus deceived, were led to lend their aid. To these were now to be added all of the men in Congress who desired to see the Government reduced to bankruptcy, and thus was formed a "ring" of size sufficient to "punish Pennsylvania." The deed was done, and thus was at once destroyed all confidence in the permanence of a system that had been received by the world as confirmation by Congress of that remarkable expression of the public will given at the Convention held in Chicago five years since. For its destruction there was given, as I believe, the vote of nearly every man who has on all occasions opposed the Government in its efforts to maintain the national credit, they well knowing, as I doubt not, that in crippling the iron manufacture, and in punishing its chief representative, they were rendering the largest service in their power to the rebellious States.

That this is a correct statement of the means by which that discreditable action was brought about, I entertain no doubt. Admitting for the moment that it is so, does it not present a state of things of which we have reason to feel much ashamed? In what other nation, making any claim to civilization, are miserable foreign emissaries permitted thus to prowl through the halls of legislation? Were such things tolerated in England or in France, should we hold those nations in much respect? Could they respect themselves? Can we claim the existence of anything like self-respect while such profligate and impertinent meddling with our affairs shall continue to be tolerated? As it appears to me, we certainly cannot.

Having shown the past of the great State which has thus, and at the hands of a wretched foreign broker, received the "punishment" she had so well earned, I desire now to ask you to look for a moment at her present, with a view to the determination of the question what should be her action in the future.

Four years since, she and Virginia presented the types of two great sections of the Union, the one north, and the other south, of Mason and Dixon's line, the Ohio and the Missouri. On one side was the freedom which always accompanies the connection of agriculture with manufactures. On the other was the slavery which always accompanies that exclusive devotion of labor to the work of supplying distant markets which Britain and Carolina have always sought to perpetuate. On both sides there existed a belief in the necessity for measures of protection, except in the single, and then dominant, State of Virginia. Since then, however, she has abdicated, and freedom has taken, or is now rapidly taking, the place of slavery throughout the whole of that region of country, the richest in the world in regard to metals of almost every kind. Her abdication has placed the *punished* Pennsylvania now in the lead of all the Mining States, embracing a territory of 600,000 square miles, throughout which coal, iron, lead, copper, gold, and other metals so much abound that labor alone is needed for carrying up, within the next twenty years, their production to an extent far greater than the present consumption of the entire world. To the development of that wealth we have to look if we would sustain the Government and maintain the Union. To it must we look if we would maintain our credit and pay our debts. To it alone can we look if we would sink so deeply the foundations of our great public edifice as to secure for it that stability of action which is needed to give it permanence. Upon this, however, through one of her little deputies, Britain has put her *veto*, thereby *punishing* Pennsylvania for making the attempt.

What now should the latter do? Should she sit still while the foundations of our system are being undermined? Should she tolerate a policy thus forced upon the nation by foreign agents, that *must* end in her own ruin, and that of her sister States? Should she longer tolerate the impertinent interference of British brokers in affairs of such high importance? That she should not, I feel well assured. What then should she do?

She ought to invite a Convention, representing the people of all the Mining States, in population comprising probably three-fifths of the whole Union, and in national resources, three-fourths, with a view to *that combination of effort which is needed for enabling us to free the country from this foreign dictation.* She should proclaim her intention to seek, by all constitutional means, to make of the Declaration of Independence something of more value than would be an equal quantity of mere blank paper. She should say to the people of the whole of those States, that she desired to secure for herself and them that protection which would enable them to unite in supplying the world, both abroad and at home, with iron, confidently relying upon a growth of demand that would keep pace with growth of supply, and thus furnish evidence of increasing strength and advancing civilization. To the people outside of the Mining States she should say, that the more iron made at home the greater would be the demand for cotton and sugar, and for cotton and woollen goods; that among the various portions of the country there was a perfect harmony of interests; that in her efforts at stimulating into activity the great resources of the centre, she was giving her energies towards securing happiness and prosperity to the people of the north, south, east, and west; and, that in thus presenting a mode of *outdoing England without fighting her*, she was doing that which was required for enabling all to enjoy in peace the grand results which must be obtained from the suppression of the great rebellion.

Twice already in great crises has she proved her claim to her title of *Keystone State.* Let her do so once again; let her now do what it is clearly in her power to do, for giving practical effect to the Declaration of Independence; let her show to the world that power, wealth, credit, prosperity, and happiness, may be procured by means of peaceful measures that shall at the same time give us satisfaction for all past injuries received from abroad; and she will thereby earn the thanks of every American, every friend of peace, every lover of his kind, every Christian throughout the world.

Having thus shown what is, as I think, the duty of what is now the leading iron-producing State, I propose, in another letter, to show what it is that I deem to be the duty of the iron producers, and meanwhile remain, with great regard and respect,

Yours, very truly,

HENRY C. CAREY.

Hon. Schuyler Colfax.

Philadelphia, January 11, 1865.

THE IRON QUESTION.

LETTER EIGHTH.

DEAR SIR:—

For every ton of railroad bars now made here, the maker is required to contribute for the support of the war and for maintenance of the public credit, at least *ten dollars.* For every ton of British bars imported the manufacturer is required to contribute for the same purposes, the sum of *twelve dollars.* For every ton of the first transported, the producer is required to pay into the treasuries of American railroad companies, and to the owners of American vessels—both large contributors to the Public Revenue—a sum that is, probably, on an average, little less than twice as great as are the freights from abroad of that British iron which comes in British ships, owned by the men who are now using their best efforts in the advocacy, and in the material support, of the rebellion.* *Their* vessels pay nothing in the shape of tonnage duties, nothing for the use of lights that are maintained by us at heavy cost. *Their* owners pay no excise duties on their iron. *They* have their coal free of duty, and at a third of the cost of that used by our ships. *They* are free from the thousand claims upon their means which now compel our people to such high charges as have almost driven from the ocean the Stars and Stripes. Those charges must continue if we would maintain the Public Revenue, and they must become from year to year more burthensome if we shall, by any error of legislation, diminish the power of any great branch of manufacture to contribute to that revenue.

Taking into view, then, the direct and indirect contributions of a ton of American bars, and placing them side by side with a ton of those made in Britain, the producer of the former has not alone been reduced to an equality with the latter, but to even a worse position, the British producer being now, in effect, *protected against the American one,* whereas, even under the British free trade tariff of 1846, the mere revenue duty gave the latter some slight protection against the former.

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* I have now before me the transportation account of an establishment within thirty miles of tide-water, and otherwise favorably situated, from which it appears that the actual railroad charge for carriage of materials and iron was, last year, $13 40 per ton.

In opposition to this it will, however, be said, that British rails cannot now be imported without loss. That is true to-day, because the premium on gold still remains as a slight protection. To whom, however, are the iron producers indebted for it? Is it to the iron consumers? Is it to that greatest of all consumers, the Government—that one which has just decided that *to that premium alone* the producer shall look in all the future for protection against those "wealthy English capitalists," by whom they have so frequently been crushed? It is not; so directly the reverse of this is it, that every branch of that Government is now striving to put down the price of gold, and thus to deprive that greatest of all our manufactures of the little protection that has been left. But recently, as there is the best reason for believing, a proposition has been made to it on the part of these "wealthy capitalists," having specially in view a great reduction in the price of gold; such a reduction as will, if it shall be carried into effect, place the whole iron manufacture, and many other departments of our now so greatly varied industry, entirely at the mercy of the men who "voluntarily incur immense losses in order to destroy foreign competition, and to gain and keep possession of foreign markets." Whether or not that particular proposition, or any other looking in that direction, will be accepted, no one can now venture to predict; but it requires little of the spirit of prophecy to venture on the prediction that if, in the present state of our tariff legislation, any one at all like it shall be accepted, it will bring with it such reduction of the Internal Revenue as must result in bankruptcy of the Government, to be followed by Revolution.

From that Government the iron producer has now, practically, no protection whatsoever. Does he, then, owe to it, in its character of iron consumer, the performance of any act of duty? As it seems to me, he does not. Even in feudal times protection and service went hand in hand together, the right to demand the latter ceasing with the power to afford the former. Admitting, then, the facts to be as I have stated them, are not the iron producers now free for the adoption of whatsoever measures they may see to be required for *self-protection*? That they are so, I fully believe. Still further do I believe, that as men who desire to protect the public revenue, maintain the public credit, and restore the country to a condition of peace and union, and as citizens anxious to free it from the control of foreign agitators who are in every manner seeking the accomplishment of disunion, it is their *duty* to combine together in opposition to the present combination for our subjection, and for the re-establishment of a state of colonial dependence that, should the present effort prove successful, will be more complete than it has been at any period since the Peace of 1783.

So regarding the question that is now to be settled, it is my belief that a sense of duty should prompt the iron producers to address its consumers in the following terms:—

GENTLEMEN:—

Forty years since, notwithstanding our wonderful superabundance of fuel and of ore, the iron manufacture had among us scarcely an existence. The largest furnace in the Union could not produce 1500 tons a year, and the total product of pig metal was under 50,000. In 1828, now but 36 years since, there was passed the first Tariff Act based on the idea that the producers and consumers of food, cloth, and iron constituted one great family, all of whose interests were in perfect harmony, each with every other. To enable the food producer readily to obtain iron, he must have the miner brought near to him, thus to give value to the coal and the iron lying beneath his land. To enable the producer of iron to obtain cloth, it was deemed necessary that the spinner and the weaver should be brought from abroad to eat the food while spinning and weaving the wool. To enable the ship owner to obtain large return freights, it was deemed necessary to secure to the immigrant certain and well-rewarded employment. To enable the proprietor to sell his land, it was deemed necessary to bring the market to his door, and thus relieve him from the oppressive tax of transportation to which he had been so long subjected by the British system. By that tariff all those things were provided for, the entire harmony of all real and permanent interests being thus established. The result exhibited itself in the facts, that before the lapse of a time equal to that of a single presidential term the consumption of cotton and woollen goods had nearly doubled, that of iron nearly trebled, while that of coal had almost tenfold increased. As a consequence of this there was large consumption of tea, coffee, sugar, and other foreign commodities, the public revenue was great, the national treasury was full, and the public debt was in rapid progress towards that entire extinction which occurred in the following presidential term.

The great improvement in the condition of our people which thus was proved, found its base in the great development of the mineral resources of the country. Without power machinery could not be driven, nor without machinery could cloth be made. As a means of securing that development, the consumers of iron had pledged themselves to protect its producers against a foreign combination whose modes of operation are well described in a Report to Parliament, made but a few years since, from which the following is an extract:—

> "The laboring classes generally, in the manufacturing districts of this country and especially in the iron and coal districts, are very little aware of the extent to which they are often indebted for their being employed at all to the immense *losses* which their employers voluntarily incur in bad times, in order *to destroy foreign competition, and to gain and keep possession of foreign markets.* Authentic instances are well known of employers having in such times carried on their works at a loss amounting in the aggregate to three or four hundred thousand pounds in the course of three or four years. If the efforts of those who encourage the combinations to restrict the amount of labor and to produce strikes were to be successful for any length of time, the great accumulations of capital could no longer be made *which enable a few of the most wealthy capitalists to overwhelm all foreign competition in times of great depression*, and thus to clear the way for the *whole trade* to step in when prices revive, and to carry on a great business before *foreign* capital can again accumulate to such an extent as to be able to establish a competition in prices with any chance of success. *The large capitals of this country are the great instruments of warfare against the competing capital of foreign countries*, and are *the most essential* instruments now remaining by which our manufacturing supremacy can be maintained; the other elements—cheap labor, abundance of raw material, means of communication, and skilled labor—being rapidly in process of being equalized."

That pledge having been accepted, large amounts of capital had been applied to the opening of mines, the building of furnaces and mills, and the construction of the roads and canals required for carrying their products to market, thereby laying the foundation of a coal and iron trade that, had it been permitted to obtain development, would long since have placed the country in a position to become the great exporter of iron and of machinery, and thus to take the place that till then had been occupied by England. That pledge however, unfortunately for the country, was *not* redeemed. Then, as always before, agitation in and out of Congress was resorted to for the purpose of striking down this great and fundamental industry, and thus relieving the "wealthy English capitalists" from all danger of future interference. As a consequence of this railroad bars were made free of duty in 1832, and thus were furnaces deprived of the great market opening in that direction for their products. Next, and in the following year, the whole tariff was subjected to a process by means of which iron and all the manufactures in which it was required were speedily to be deprived of all protection. Confidence in the future now wholly passed away. Mills and furnaces ceased to be built. Financial crises followed closely one upon another, with the necessary result of almost annihilating the value of the vast capital, counting by tens of millions, that had been applied to the development of the two great industries upon which then depended the whole future of the Union. It was a destruction of property till then without a parallel in history, to have been accomplished by the act of the very people who were destined most to suffer under it—the producers of food and the consumers of iron. The one lost his market among the men who mined the coal and ore and made the iron, and the other found that the impoverished farmer was unable to buy cloth. In crushing out these two great industries the iron consumers, your predecessors, had, Samson like, torn down the pillars of the Temple, and had involved themselves and their Governments, Municipal, State, and Federal, in one common ruin. Railroads, constructed by aid of *cheap* and worthless British iron made from a long accumulation of cinder, fell so much in value that their proprietors were unable to sell their shares at any price. Workshops were closed, and workmen were everywhere reduced to ask for alms. Spinners and weavers shared the same sad fate with the miner and the founder. The trader, unable to collect the moneys due him, was unable to pay the bank, and the banker followed him in stopping payment of his debts. The National Treasury, reduced to bankruptcy, was unable to borrow, on any terms, the amount required to make amends for the deficiency thus produced in its then trivial revenue. Chaos had come again—the same chaotic state of things that had preceded the passage of the Protective Act of 1824. It had come, too, as a consequence of the inauguration of a government of foreign traders who sought monopoly, and talked of freedom of trade. How free it was, has been shown in the passage from the Parliamentary Report we have above submitted to your consideration. How profitable it had been, was proved by the fact, that, notwithstanding an increase of one-fourth in population, the consumption of iron had scarcely at all increased.

For all this a remedy needed to be found. It came in the form of the tariff of 1842, by which the American people once again pledged themselves to the capitalist, that if he would apply his means to the development of those great mineral resources of the country which constituted the foundation upon which, *alone*, could rest securely our social edifice, he should be protected against those "wealthy capitalists" who had so long been accustomed to regard temporary losses as merely a mode of employing their great "instrument of warfare" in the manner most efficient for the accomplishing of the one great purpose, that of "destroying foreign competition and gaining and keeping possession of foreign markets." The pledge thus tendered was accepted, and in a period brief almost beyond belief mines were opened, roads were constructed, and furnaces and mills were built, capable of supplying a consumption thrice as great as had been that of 1842. With that increase in quantity came such improvements and economies in the mode of manufacture as rendered it absolutely certain that, if faith should be kept with the men who had thus given time, mind, and means to the most important of all manufactures, but a brief period would be required to elapse before they should be enabled to supply the outside world with iron, and thus to furnish new evidence that protection was the road that led most certainly in the direction of perfect freedom of trade. At no period in our history had the demand for labor been so great. At none had there been even an approach to the number of immigrants who then sought our shores. At none had property commanded so large a price. At none had public and private credit been so complete; and yet, but five years previously, labor had been everywhere in excess; immigration had tended to die away; property had been wholly unsaleable; bankruptcy had been almost universal; and the public treasury had found itself wholly unable to command the means required for compliance with its engagements.

As before, however, the public faith was violated, and because of agitation caused by British agents. Almost without notice the pledge given in 1842 was withdrawn in 1846, and the men who in full reliance upon it had applied their millions and tens of millions to carrying in effect the public will in reference to the great work of internal development, were once more delivered over, bound hand and foot, to the "tender mercies of the wealthy capitalists" of England; the men who, while engaged in the work of "overwhelming all foreign competition," could afford to dispense with interest on their capital, their competitors meanwhile paying 10, 15, or 20 per cent. per annum for the use of the money required for carrying stocks constantly accumulating on their hands while engaged in the effort at maintaining the unequal contest.

Further even than all this, the Government undertook to furnish to the foreign producer storage, and under such circumstances as rendered an iron certificate of deposit equally transferable with a money one; whereas, the domestic producer was by law deprived of all modes of transfer not accompanied by an actual delivery of the property itself. The great iron consumer of the country had thus, after having pledged itself to the men who had built the furnaces and rolling mills, opened the mines, and constructed the roads, to protect them in their efforts for the establishment of competition for the *sale* of iron, entered into an alliance, offensive and defensive, with parties whose essential object was that of destroying all *that* competition, thereby increasing competition for the *purchase* of British iron.

Such a course of policy could have but one result. One by one iron masters succumbed to the pressure. One by one the miners of coal found themselves obliged to abandon their works. Seeing ruin ahead they begged of Congress to give them such a sliding scale as should secure them $50 a ton for sound American iron, twice more useful than the worthless trash that was then being forced upon the markets at $40 by their British competitors. Trifling as was this request it was refused, although but four years before Mr. Calhoun had said, that if he could be assured that American iron masters could supply the market at $80 they should have any amount of protection they saw fit to ask.

American production had now fallen to little more than one-half the amount at which it had stood on the day in which the British iron masters' tariff, that of 1846, had gone into practical effect.

Soon, however, came the influx of California gold, bringing with it a large demand for iron, to be supplied, to a great extent, by foreigners, at whose instance that tariff had been made, and now arose a competition for the *purchase* of their products by which they largely profited, charging double price for all they furnished. In three years they sold in the American market a million of tons of iron in its various forms, and at prices that must have paid twenty times over for the losses "voluntarily incurred" in the years from 1848 to 1850. A hundred millions of dollars of American property had been thrown idle, even where not destroyed, to enable foreign iron masters to tax our people, *in increased prices alone*, a sum little short of that amount. In the decade ending June, 1857, there were imported into the country hundreds of millions of dollars' worth that would have been made at home but for the gross violation, at its outset, of pledges voluntarily given by the ruined and broken-down iron consumers of 1842. In that decade there had been forced upon the English market millions upon millions of dollars' worth of food that ought to have been consumed at home, each successive increase of export tending to lessen the prices of the great regulating market of the world, and thus reducing, to the extent of *thousands of millions of dollars*, the amount yielded to our farmers by their crops.* In this manner was built up the great foreign debt that paved the way for that terrific crisis of 1857, which resulted in the stoppage of merchants, the ruin of manufacturers, the closing of mills, furnaces, and mines, and the depletion of the National Treasury, and thus furnished new and more convincing proof that in the coal and iron of the country were to be found THE PILLARS OF OUR NATIONAL TEMPLE, and that when they are being torn away the destruction of the entire edifice is close at hand.

To those two great interests the whole period from 1856 to 1860—that which succeeded the first excitement consequent upon the discovery of California gold—had been one of constantly recurring crises, ending in the ruin of a large proportion of the people who had given time, mind, and means to their development. To the country at large it had given prostration so complete that, notwithstanding an increase of population to the extent of full two-fifths, the power of our people at its close to make demand for iron was scarcely greater than it had been when the British iron master's tariff of 1846 first became instinct with life and prepared to exert its power for mischief. What was its extent shall now be shown.

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* Every additional bushel of wheat thrown on the British market tends to lower the prices there. Every reduction there is followed by a similar reduction here, as Liverpool prices regulate those of New York, which regulates Chicago. The reduction, therefore, is felt on *the whole crop.* It would be a very small allowance for the reduction of British prices consequent upon American supplies to put it at a shilling—24 cents—per bushel. This upon 1250 millions of bushels would give a loss to American farmers of $300,000,000 a year. This is a large sum, and yet it is short of the truth.

Fifteen years before, the power of the Alliance between British free trade and slavery which was now seeking the perpetuation of the Colonial System, had exhibited itself in an attempt at Nullification. Ten years later it had presented itself in the form of an almost entire annihilation of our domestic commerce, and in bankruptcy so general that it included individuals and banks, State and Federal Governments. This time it exhibited itself in a deliberate attempt at destruction of the Union. Throughout the whole of the period that had then elapsed since Carolina had abandoned protection and readopted that system which looked to the confinement of our people to the raising of raw products for distant markets—the system of slavery and barbarism—Liverpool had been becoming daily more and more the centre round which revolved our whole societary system. The men of the West exchanged with those of the East, and those of the South with those of the North, through British traders—through those very men now who since have been devoting all their means and all their influence to the final achievement of the one great end they so long had had in view, the dissolution of the Union. The more they could destroy the domestic commerce the smaller must become the threads by means of which its several sections still continued to be held together. By shutting up the mines, furnaces, and mills of the North they compelled the South to look to them for iron, and the greater the dependence thus produced the higher was necessarily the cost of machinery, and the rate of interest, at the North, with constant increase in Southern dependence on Britain for a market for its cotton. British free trade was thus but the necessary preparation for that movement of 1860 which gave us a war in the course of which rebellion has had all the aid, material and moral, that British traders could give to it. Fomenters of discord during the whole period to which we have referred, they have now labored for its perpetuation.

That war had, however, brought with it a remedy for our evils, for it had, by reason of the secession of Southern Senators, given to the people of the loyal States a power for self-protection of which they had been long denied. The necessity for a re-invigoration of the domestic commerce had now become so very evident that once more there was given to the men of capital *a pledge* that if they would apply their resources to the development of the great mineral resources of the country they should now be certainly protected against the foreigners by whom American competition for the *sale* of iron has been so often and so almost thoroughly destroyed. Past experience was adverse to the acceptance of such a pledge, faith having been so often broken that confidence in the national honor had well nigh disappeared. Nevertheless, it was accepted, and forthwith commenced a forward movement the rapidity of which can find no parallel in the whole history of national development here or elsewhere. But three years have now elapsed since the country first began to recover from the first great shock of civil war, and yet brief as has been the period we are already enabled to show—

I. That the production of pig metal has now attained an amount exceeding 1,300,000 tons; and with so great a development of resources in regard to both fuel and ores that we are warranted in saying, that large as is that quantity, it can be thrice increased in the next four years:

II. That there now exists machinery for the conversion of iron into bars, and into steel, fully capable of supplying the whole present demand, accompanied with a power of increase to an extent equal to any future demand that you, consumers of iron, can, by any possibility, make:

III. That the value of the product of the mines, furnaces, and mills engaged in furnishing coal and iron now exceeds two hundred and fifty millions of dollars, nearly all of which is given to the payment of labor employed in the extraction of coal and ore, in the conversion of the two into the iron that you so greatly need, or in the extension of preparations for the supply of both:

IV. That by thus making demand for labor they are offering large bounties for the importation of men who come here to eat American food while mining coal or ore, building houses or ships, constructing machinery of transportation and manufacture by means of which value is given to land, or farms on which they and their children may raise the food required by other immigrants who follow in their footsteps:

V. That the market for food that, directly or indirectly, is thus *annually* made for the produce of the farm, by these two great branches of industry, is therefore greater in amount than was the total export thereof to Europe in the whole fourteen years from the commencement of vitality in the British Iron Masters' Tariff of 1846 to the breaking out of the rebellion of which that tariff has proved to be the cause:

VI. That, at the lowest estimate, the contributions to the internal revenue, State and national, consequent upon the creation of this immense market for food and labor, and the increased value given to labor, land, and their products, must be taken at eighty millions of dollars; and—

VII. That, notwithstanding the heavy burthens that have been laid on this great industry, notwithstanding the extraordinary increase in the price of labor of all descriptions, and notwithstanding the reduction of the American producer to a level, so far as protection goes, with his British competitor, the latter is even now so far undersold in our own market that American furnaces and rolling-mills supply the whole American demand.

That *our* duty has been performed, and that all the pledges which may have been given for us have been redeemed, are facts of which we thus furnish evidence that cannot be questioned. Has that of the nation been performed? *Has it kept faith with us?* Has *it* redeemed the pledge of protection given at the time when, in the day of its distress, it invited us to devote our lives, and give our time, our mind, and our means towards the re-establishment of that competition with British iron masters for the *sale* of iron which, under the blighting influence of the British free trade tariffs of 1846 and 1857, had so nearly disappeared? Let us inquire.

In March, 1861, before the imposition of any internal tax whatsoever, the protection to be given to railroad bars was fixed at $12 per ton, and it was then well understood to be the very least that could with propriety be accepted by the parties who were thus to be invited to engage in that important and expensive work.

A year later, heavy taxes having been imposed on many articles used in manufactures generally, there was granted to all of them, with the single exception of railroad bars, an additional five per cent. On that one excepted commodity, which now makes demand for nearly 500,000 tons of pig metal, the increase was limited to the exact amount of the direct tax, $1 50 per ton, no allowance having been made, as in other cases, for the taxes on coal, lime, or other materials, nor for many others, including that on incomes. We have here the first violation of the pledge given in 1861.

At the last session of Congress, pig-iron was taxed $2 per ton, equivalent to nearly $3 on a ton of bars. The taxes on coal and other materials were largely increased. That on railroad iron itself was more than doubled. Others were imposed too numerous here to recapitulate—the general result being, that our various contributions, consequent upon the existence of the war, have now been carried up to $10 per ton. Was the duty on foreign iron correspondingly increased? Was the pledge given in 1861 now redeemed? On the contrary, such was the agitation on the part of many of you, gentlemen, consumers of iron, urged thereto by British emissaries, that the duty on foreign iron was *reduced to exactly the point at which it had stood when domestic iron had been free from all such charges.* Thus for the second time was the national faith violated, and this time on so grand a scale that we find ourselves now placed in a position, as compared with the foreigner, worse than was that we occupied under the ultra free trade tariff of 1857. Then, *we* had some slight protection. Now, the foreigner, as we shall show, is *protected against us.*

Before doing this we must, however, consider the present transient protection resulting from the fact that the cost of British iron, and the duties on it, must be paid in gold, the premium thereon being all that now remains to us as offset against a duplication, even where not a triplication, of the cost of labor and its products. No part of that, however, do we hold because of any exercise of power by Government, from which we yet hold the pledge given in 1861, now waiting to be redeemed. So far the reverse of this is it, that time and again has its Finance Minister given his best efforts for the removal of the only protection thus left to us. Time and again has it listened to proposals for its removal coming from foreigners who see therein the only remaining bar to the flooding of our markets with the produce of foreign mines, mills, and furnaces. Time and again have there been, on the part of Congress, efforts at movement in that direction. Time and again have we been assured by leading Republican journals that with any increase in the prospect of peace there must be a growing tendency towards the breaking down of that only barrier which stands between the great fundamental industries of the country and utter ruin. The great iron consumer spares no effort for the accomplishment of that object, and therein all the lesser consumers unite with it heart and hand. Busily as the paper consumers are employed in striking from under their feet that great branch of manufacture which furnishes the foundation on which they stand, even more so are you, gentlemen, iron consumers, engaged in undermining the foundations on which now stand the paper-maker and the printer, the spinner and the weaver, the ship-owner and the railroad proprietor, the machinist and the architect, the city and the county revenues, the State and Federal Governments. All of these, large consumers of iron, are now anxiously awaiting the time when, to the already violated faith of the Union there shall be added that conversion into gold of the taxes that have been so *heaped up* on us—graduated as they had been by a paper standard—which shall, when connected with public storage, place the foreign producer in the enviable position of being PROTECTED BY THE AMERICAN GOVERNMENT AGAINST THE AMERICAN IRON MASTER. All of them seem to be of the belief that by thus annihilating American competition for the *sale* of iron and increasing American competition for the *purchase* of British iron their demands must be more cheaply supplied. All of them have forgotten the lesson taught by the repeated crises of the British free trade tariffs of 1816, 1833, 1846, and 1857. All of them, finally, seem to be of the opinion that when the foundation upon which now rests our whole social system shall have been removed, the edifice will yet remain unharmed. It is a sad delusion, but as it exists we find ourselves required to look it fully in the face and determine what it is that our duty to our country and to ourselves requires us to do in the state of things that has been produced.

With the restoration of peace there will arise a demand for labor throughout the South that must tend greatly to prevent any material decrease in its price throughout the North. Tobacco and cotton fields will thus become competitors with the furnaces, mills, factories, and other establishments now in existence, and these latter must for a considerable period of time be compelled to choose between paying high wages, on the one hand, and closing their works on the other. The present rate of wages in the coal and iron trades is little less than treble that of England, and how little the latter can be expected to rise is shown by the facts, that the Scottish miners, at the close of a turn out, on which they expended all their means to the extent of $7,500,000, have recently been obliged to give in and return to work under the wages against which they had rebelled; and, that the very latest *Iron Trade Circular* (Birmingham) advises its readers, that "the present state of the iron trade in all parts of the country, both in North and South Staffordshire, South Wales, and the Cleveland districts, justifies, or rather we should say, forces their masters to call upon the men for a reduction of wages." Such being the case, it is clear that it is not in that direction we can look for any change by which we might hope to profit. Further even than this, British wages must rise so soon as the "wealthy English capitalists" shall have had the way opened to them for crushing out American competition, and then immigration must, as we feel assured, fall to a point lower than any it has touched since the terrific crisis of 1842. In that direction, then, we cannot look for help.

Taxes *must* be maintained at the present standard should that continue practicable. Further, indeed, than this, they must, wherever possible, be increased, as the nominal amount of business declines with the decline of prices. Incomes will count far less in gold than they now do in paper. Sales will do the same, and the gold received, admitting the quantity of goods sold even to remain the same, will be one-half less than that now received in paper. The interest on the debt will remain undiminished. So, too, must it be with soldiers' and sailors' wages, and the salaries of officers, civil, military, and naval—all of whom will then be enabled to purchase twice the quantity of commodities they can now command. Looking at all these facts, it seems to us to be quite clear that to meet the demands of the Government it will be needed that, wherever possible, the taxes shall be raised. That they cannot be reduced is absolutely certain.

Labor, for a time at least, remaining unchanged, and taxes continuing to be collected on coal, oil, &c. &c., the cost of all the materials of iron must continue to be so high as to afford to the iron master only the choice between closing his works, on the one hand, and ruin on the other. Transportation, the charge for which has now been carried up to a point so terrific, will remain for a time unchanged. Railroad companies, having tasted the sweets of such high charges, will certainly try the experiment of breaking their customers before they abandon them.

Interest must rise as bank loans decline in their amount. In all past crises it has been from three to six times higher than has been paid by "wealthy English capitalists" when they have been compelled to carry heavy stocks of iron.

Taking all these things together we think it quite safe to say that, for the first year at least, the cost to the American iron master of producing and transporting a ton of bars will be greater by *twenty dollars* than will be that of a ton produced in England at the present low rate of wages. Against this there will be a difference of *two dollars* in the taxes. The protection of the "wealthy English capitalist" will be complete, but where then will stand those American rivals who have now so completely occupied the domestic market as to have greatly reduced English wages, and thus paved the way for immigration from the British soil of tens of thousands of her workers in coal and iron, whose services have so much been needed? Once here, they and their children would forever be customers to the farmers of the Mississippi Valley. Forced to remain where they are they will, as heretofore, eat the food of Russia or of Egypt. That they *will not* come under a system that protects the British capitalist against his American competitor is very certain. The importation of such machinery, capable of making engines, while reproducing themselves, *of the past year*, is worth more to the country than all the iron that has ever come to it from British furnaces since the unfortunate repeal, under Carolinian threats of secession, of the protective tariff of 1828.

Such being the existing state of facts, and such the prospects, we have now to determine what we ourselves should do. To attempt, under such circumstances, to maintain a competition for the *sale* of iron, could result only in a gradual depletion of every ironmaster in the country, and in the abandonment of his works after he should himself have been ruined. The day of high prices would then come round again, but there would exist no person to profit of it. By withdrawing at once, before the day of exhaustion had commenced, we should, on the contrary, retain ourselves in a position to resume work when the day should have arrived for giving a new pledge of the faith that has been so often, and, as we think, so discreditably violated. By adopting this latter course, we should retain the power to aid in the re-establishment of that internal commerce upon which the country is now so entirely dependent for the power to maintain the Government. By pursuing the former, we should speedily place ourselves in a condition to require aid, instead of granting it. After full consideration, therefore, we have arrived at the conclusion that we should best perform our duty, both public and private, by withdrawing from competition with those "wealthy English capitalists" who are now so anxious to sell cheap iron, and who have always doubled their prices so soon as they had annihilated their American competitors. You will, therefore, please to receive this as a notice that from and after the first of March next our works will be closed, and you will be free to make such arrangements in regard to the supply of iron as best may suit your convenience.

Should, in the mean time, any of you be disposed to commence the work of producing iron that is to pay nearly as much in taxes as the foreign product pays in the form of duties, you can, as we think, be supplied with any number of furnaces and mills at their actual cost, and in very many cases at less than cost.

Yours, respectfully, A. B.
C. D.
E. F.

Such, as it appears to me, is the course that duty requires of the ironmasters of the country to pursue. Past experience proves that there can be no reliance on the pledges given to them when the country needs their aid. Foreign emissaries haunt the halls of Congress, and their presence there is not alone tolerated, but actually courted, by gentlemen who can see advantage in enabling a constituent to save a dollar or two upon a few thousand tons of iron, and who cannot see that the power to buy iron at any price has resulted from American competition for the *purchase* of the products of the farm, and for the *sale* of those yielded by the mine, the furnace, and the rolling-mill. It is time, therefore, that they should now abandon the position they so long have occupied, that of supplicants for mercy, and, as the best mode of serving the country, maintaining its revenue, and thus enabling its Government to live, take at once the true ground that, in ceasing to grant protection, the iron consumers have lost all claim upon them for the performance of duties.

It may perhaps be charged that this would be combination. It would be so, and the time has come for it. The country has now to carry on a war with foreign capitalists and their agents, for the maintenance of its credit, for the perpetuation of the Union, and for the conversion of the Declaration of Independence into something more than a mere form of words, and it will be worsted if the honest people of the country do not combine for its support. By so doing, they will speedily be enabled to obtain from foreign nations indemnity for the past and security for the future, for in that combination they will be sure to find *the way to outdo England without fighting her*.

To enable ourselves to succeed we need only that stability of action which shall give to the capitalists security against foreign agitation. But a few days since one of the largest importers of British iron expressed to one of my friends a wish that Congress should take such decided action as would warrant him in turning his capital from the importation to the production of this most important commodity, the materials of which so much abound throughout the Union. Let it but do this and the day will then be close at hand when the annual production will count by millions of tons, and when our farmers will be relieved of all necessity for crushing down, in the regulating market of the world, the prices of all their products. The *annual* saving thereby produced would be greater in its amount than the value of all the iron imported into the country since the Peace of Ghent.

In my next I shall ask your attention to the Farmer's Question; meanwhile, my dear sir, remaining,

Yours, very truly,

HENRY C. CAREY.

Hon. Schuyler Colfax.

Philadelphia, January 16, 1865.

THE FARMER'S QUESTION.

LETTER FIRST.

Dear Sir:—

In a former letter the money value of the products of our coal and iron mines, our furnaces and rolling-mills, was stated as being little less than two hundred and fifty millions. Following that iron through the foundries and machine shops we shall find that those industries are this day yielding to the nation commodities whose market value certainly exceeds *four hundred millions;* and then following their proceeds we find that nearly the whole is distributed among the men who own the land and those who cultivate it. Hence it is, that whenever those two great industries prosper the farmer prospers; and that when they suffer he too becomes a heavy sufferer.

Are the facts so? it may here be asked. *Are* their proceeds so applied? Let us see.

Of this vast sum a very large proportion is distributed among the men who mine our coal and ore—men who aid in transporting them—men who aid in converting the two into iron—men who puddle the iron and roll the bar—and other men who convert the bar into hoes, spades, axes, knives, and engines. What becomes of it then? They buy food for their families and themselves, all of which comes from American farmers. They purchase clothing made of Western wool or Southern cotton, and converted by means of men and women who tend the spindle and the loom while eating the food of Iowa and Minnesota. They buy houses composed of bricks and lumber, the one made, and the other cut and brought to market, by men who eat the pork of Ohio and the corn of Indiana or of Illinois. They buy newspapers whose types and paper represent the hams of Kentucky, the wheat of Pennsylvania, and the butter and cheese of New York, while its press represents the food consumed in workshops which, in the wonderful character of the machines turned out, furnish to the world such conclusive proof that were American farmers but true to themselves American ingenuity would speedily relieve them from the necessity for employing themselves in raising food for distant markets, the proper work of the barbarian and the slave, *and of them alone.*

A part of this vast sum goes, however, to the owners of land that yields coal, ore, or lime; another, to those who own furnaces, in which the three are converted into iron, or shops in which iron is converted into machinery to be used by the farmer, the weaver, the locomotive builder, and the builder of ships; and we may now inquire what becomes of *them.* These men have families, and those families likewise need food that comes from American farms; clothing all of which, were our farmers true to themselves, would represent the products of American agriculture; houses which represent the labors of brickmakers and bricklayers, lumbermen, carpenters, masons, workers in coal, and workers in iron, all of them men who help to make the great market in which exchanges of food to the annual extent of thousands of millions of dollars are now made. The profits of some of the owners of the great works from which are now annually turned out so many millions of tons of coal, so many hundreds of thousands of tons of iron, and so many engines, are, however, as we know, greatly in excess of their expenditure. What becomes of the surplus? A part of it is applied to the extension of their works, and thus is created demand for labor, enabling many to obtain food and clothing who otherwise might be unemployed and therefore unable to purchase either. Another part goes to the making of railroads, thus creating a further demand for labor, and giving the farmer a purchaser for his pork and his corn while at the same time increasing his facilities for reaching the distant markets. Another part, perhaps, is lent to the Government, and thus aids it in paying the farmer for the food, the clothing, and the machinery required by our armies in the field. Thus, of the whole four hundred millions, large as is the sum, it may, as I believe, be safely assumed that more than ninety per cent., and perhaps even ninety-five, goes directly, or indirectly, to the payment of labor that is employed in clearing and cultivating the land.

Turning now back to the period of the British free trade tariffs of 1846 and 1857, we see that hundreds of millions worth of foreign iron had been imported—part of it in the form of knives and razors, very much of it in that of mere pig metal, and hundreds of thousands of tons in that of rails to be laid on lands the larger part of which abounded in fuel and in ore waiting alone the application of labor to their extraction and conversion. Why was this? Because the system of that day had been framed in obedience to orders issued by the men who since have been employed in building pirate ships to be used in driving from the ocean the stars and stripes; in fitting out other ships for running our blockade; and generally in giving to the rebellion that aid, material and moral, by help of which a war that should have been finished in a year has been prolonged throughout a whole Presidential term, and at a cost of hundreds of lives and hundreds of millions of property that might otherwise have been saved.

For the iron thus imported we have paid hundreds of millions of dollars. What became of *them*? Did the people who mined the coal and the ore employed in making *that* iron eat American wheat? Did *they* wear clothing composed of corn raised in Iowa and wool sheared in Ohio? Did *they* occupy houses built with lumber representing the food of Michigan or Minnesota? Did the workmen who built the houses *they* occupied consume potatoes raised in Maine, or cabbages raised in Pennsylvania? For an answer to these questions I give you the following figures representing the wheat, the wool, the flour, the pork, and the lumber exported—not alone to the country from which we had the iron, but to France, Belgium, and Great Britain, the countries which have deluged us with the silks, the woollens, the cottons, and the iron by means of the purchase of which we have been involved in a foreign debt of $500,000,000 that now makes upon us, *for the mere payment of interest*, a demand to meet which requires not less than $30,000,000, a sum more than half the product of California. The years I have taken are the three which immediately preceded the breaking out of the great rebellion. The country had then for more than a decade enjoyed the *blessings* of that British free trade which, as we were assured in 1847, was destined, before the lapse of twenty years, to make a demand for American food whose *annual* amount would count by hundreds of millions of dollars. To what extent those predictions have been realized will be seen by the following figures:—

	Total Export.	To Great Britain, France, and Belgium.
1858.		
Pork	$2,852,492	$360,000
Indian corn . . .	3,259,039	2,163,000
Lumber . . .	1,240,000	215,000
Wheat	9,061,000	6,436,000
Wheat flour . . .	19,328,884	5,006,000
Wool	389,512	15,000
1859.		
Pork	3,355,746	563,000
Indian corn . . .	1,323,103	281,000
Lumber . . .	1,001,216	247,000
Wheat	2,849,192	1,402,000
Wheat flour . . .	14,493,591	1,147,000
Wool	355.563	129,000
1860.		
Pork	2,852,942	371,000
Indian corn . . .	3,259,039	1,894,000
Lumber . . .	1,240,425	475,000
Wheat	9,061,504	6,389,000
Wheat flour . . .	19,328,880	5,133,000
Wool	211,861	141,000
Total . . .	$95,463,989	$32,367,000
Annual average .	31,821,330	10,789,000

The annual average, as here is shown, of the demand for these important commodities by the three great manufacturing countries of Europe, was less than $11,000,000, or little more than 16 cents per head of their total population. A single hundred thousand of their people attracted here by large demand for labor and liberal wages, would furnish a market for the various products of the land much greater in its amount.

The great European market for food that had been promised to our farmers had, as we see, totally failed. Had the deficiency of demand thus produced been in any manner made up by immigration? On the contrary, the number of foreigners coming here to sell their labor was less in those years, as has been shown in a former letter —less, too, by thirty per cent.—than it had been in the year in which the British iron master's tariff of 1846 first became endued with power for mischief.

Under the free trade tariff of 1841–2 the markets furnished by the coal and iron industries of the country could but little have exceeded $50,000,000. Under the protective tariff act of 1842, that market thrice increased in size, having, in less than half a dozen years, grown to $150,000,000. In the same time immigration had also thrice increased, and as every immigrant became a consumer on the moment of his arrival, whereas one year at least must elapse before any one of them could make the slightest addition to the quantity of food produced, *it followed that to the whole extent of their consumption of food, of wool, of cotton, of lumber, and of all other of the products of the land, they constituted an addition to the farmer's market.* Admitting that their average power to earn wages amounted to but $150 a year, the addition amounted to $25,000,000. The movement had, however, then only just commenced. The more iron made in 1846 the greater was the quantity required in 1847; and the more made in this latter year the greater would have been the quantity required in 1848, '49, and '50; and the greater the immigration of 1847 the more would have been its tendency to increase in each and every of the succeeding years, had protection been maintained. Had it been so, our coal and iron industries would this day amount to more than $1,000,000,000, making demand to nearly the whole of that vast amount for the fruits of the earth, while immigration would by this time have been giving us a million per annum of European workmen, consumers, from the moment of their arrival, of the products of American farms, and busily engaged in the work of further increasing by procreation the number of mouths requiring further supplies of food and wool.

We were told, however, that iron masters were too rapidly growing rich; that the taxes imposed for their benefit on iron consumers were so great that they amounted to more than the whole price at which their finished products could be bought; that the farmers were thus made mere "hewers of wood and drawers of water" for great monopolists; that protection closed the markets of Europe against their "breadstuffs;" that we were essentially an agricultural people, and so likely to remain; that we therefore needed free trade; and that, for all these reasons, protection should be abandoned. It *was* abandoned, and we have now the result in the facts, that we had given up a domestic market among the producers of coal, iron, copper, lead, and cloth, which then amounted to hundreds of millions, and would since then have arrived at thousands of millions, and had, at the close of the system inaugurated in its stead, obtained in exchange a market which took from us of pork, corn, wheat, flour, wool, and lumber, less than $11,000,000 a year, *or one-third of a dollar per head of our then population.* Such had been the results obtained in 1860 by means of agitation on the part of those British agents by whom had been represented in 1846, in the Halls of the Capitol, those wealthy capitalists of England whose first desire was that food might be obtained more cheaply while iron should command a higher price.

Did *they* obtain their end? To obtain an answer to this question we may here compare the prices in the New York market at the commencement and the close of that period of the British free trade system which dates from December, 1846. As given in a table now before me, they are as follows:—

	1847.	1858.	1859.	1860.
Wheat flour . .	7 68	4 25	5 50	5 50
Rye flour . . .	5 06	3 40	3 75	3 50
Corn meal . . .	4 62	3 50	3 90	3 80
Pork	14 93	18 35	16 35	17 75
Mess Beef . . .	12 00	11 50	8 25	5 25
Butter . . .	25	25	22½	18

In the period intervening between the first and last of these dates, California and Australia had given to the world probably $800,000,000 in gold, and yet, instead of increasing as it should have done, the power of the farmer to obtain money in exchange for his products had largely diminished.

The reason for this was to be found in the fact, that determining to go abroad to get his iron and his cloth he had destroyed his great market. To what extent this had been done you may, my dear sir, judge for yourself after referring to an extract from an Address of one of the Charitable Societies of New York, given in a former letter, but here reproduced because of its important bearing on the question now before us:—

> "Up to the present the Association has relieved 6,922 families, containing 26,896 persons, *many of whom are families of unemployed mechanics* and widows with dependent children, who cannot subsist without aid. As the season advances the destitution will increase. Last winter it was thrice as great in January as in December, and did not reach its height until the close of February."

This paper bears date more than a year previous to the great crisis of 1857. Subsequently thereto the state of things was very far worse than that above described. Our public warehouses were filled with foreign merchandise, always ready to supply the material of auction sales. Our auctioneers, constantly at work, supplied wholesale and retail dealers, at prices fixed by themselves. Our shops were gorged so thoroughly with foreign food and labor in every form, from the coarsest woollens to the finest silks, as to leave no place for the domestic food and labor that sought a market. Such was the mode of "warfare," by means of which "*the most wealthy capitalists*" of Britain *had been enabled to* "*overwhelm all foreign competition in times of great depression, and thus to clear the way for the whole trade to step in, when prices revived, and to carry on a great business, before foreign capital could accumulate to such an extent as to be able to establish a competition in prices with any chance of success.*" Such, my dear sir, was the sort of warfare, by means of which Ireland and India had been ruined, without the necessity for firing a gun, or drawing a sword. Such was the warfare against which your fellow-citizens, for ten years previously, had sought, but vainly sought, to be protected—the only answer to the petitions having been, that the duties of the government were limited to the task of protecting itself, leaving the people to protect themselves as best they could.

As a consequence of this it was: that after a growth of pauperism steadily continued during all those years, it suddenly so much expanded that hundreds of thousands of our people were wholly unable to sell their labor, or to purchase food and clothing:

That factories, mills, mines, and furnaces, the cost of which had counted by hundreds of millions of dollars, were then closed, and likely so to remain:

That the power to diversify the employments of society was then declining from day to day:

That, simultaneously therewith, we were adding to our population a million of persons annually:

That the necessity for resorting to the labors of the field, as affording the only means of support, was steadily increasing:

That the supply of food tended, therefore, to augment, as the domestic consumption declined: and

That its price tended, therefore, steadily to fall, and was, at the outset of the war, likely to be lower than had ever yet been known.

The production of iron had largely decreased, as under such circumstances might readily be supposed. What, however, was its import? Did the figures there presented furnish any evidence of increase of power on the part of the farmer to purchase hoes or ploughs, or on that of the miner to purchase engines? Let us see.

In the three years above referred to there was imported of iron and manufactures of iron, to the extent of $45,000,000, giving an annual average of $15,000,000, or *less than fifty cents per head of our population.* In the hope to secure some trifling reduction in its price our farmer had been persuaded to throw away a market that then amounted to hundreds of millions, and that would, before 1860, have reached thousands of millions, and now the whole amount taken from him of his chief products, by the three principal manufacturing nations of Europe, was barely sufficient to pay for the little iron that he could afford to purchase and the freight upon it; that freight, too, paid chiefly for the use of British ships. As a necessary consequence, the country was running in debt from day to day more deeply, and the interest on that debt was even then absorbing more than half the gold yielded by California. Hence it had been that the prices of the farmer's products had fallen in price as the supplies of the precious metals had so rapidly increased. Busily engaged in selling *skins* at sixpence each, and taking pay therefor in *tails* at a shilling, he had been giving all his efforts at increasing the power of that great combination of "wealthy English capitalists," the primary object of all whose operations had been that of depressing the prices of food and raising the price of iron—diminishing still further that of the skins and raising still higher that of the tails.

The most useful to the British traders of all the British colonies is that one which embraces these United States. Content with the word "independence," Americans take no care to make themselves or their country independent. So far the reverse is it, indeed, that, while talking largely of the Monroe Doctrine, they permit their laws to be dictated to them by British agents, representing "wealthy capitalists," who now seek to perpetuate throughout this Western Continent the system so well described in the following passage by one of their predecessors of the last century:—

"Manufactures in our American colonies should be discouraged, prohibited." * * "We ought always to keep a watchful eye over our colonies, *to restrain them from setting up any of the manu-*

factures which are carried on in Great Britain; and any such attempts should be crushed in the beginning." * * "Our colonies are much in the same state as Ireland was in, when they began the woollen manufactory, *and as their numbers increase, will fall upon manufactures for clothing themselves, if due care be not taken to find employment for them*, in raising such productions as may enable them to furnish themselves with all the necessaries from us." * * "As they will have the providing rough materials to themselves, so shall we have the manufacturing of them. If encouragement be given for raising hemp, flax, &c., doubtless they will soon begin to manufacture, *if not prevented.* Therefore, *to stop the progress of any such manufacture*, it is proposed that no weaver have liberty to set up any looms, without first registering at an office, kept for that purpose." * * "That all slitting-mills, and engines for drawing wire or weaving stockings, *be put down.*" * * "*That all negroes be prohibited from weaving either linen or woollen, or spinning or combing wool, or working at any manufacture of iron*, further than making it into pig or bar iron. That they also be *prohibited* from manufacturing *hats, stockings, or leather of any kind.* This limitation will not abridge the planters of any liberty they now enjoy—on the contrary, it will then turn their industry to promoting and raising those rough materials." * * "If we examine into the circumstances of the inhabitants of our plantations, and our own, it will appear that *not one-fourth of their product redounds to their own profit, for, out of all that comes here, they only carry back clothing and other accommodations for their families*, all of which is of the merchandise and manufacture of this kingdom." * * "All these advantages we receive by the plantations, *besides the mortgages on the planters' estates and the high interest they pay us, which is very considerable.*"—(GEE *on Trade*, London, 1750.)

A century earlier the Germans had ridiculed the people of England as men who sold skins for sixpence and bought back the tails at a shilling. *Protection* had changed all this. It had brought the English artisan to take his place by the side of the English farmer, and now the English trader desired to do by the American colonist what the German had previously done by him—giving his whole efforts to the work of compelling the sale *to* him of skins at sixpence and the purchase *from* him of tails at a shilling. Thus far they had, with us, most thoroughly succeeded, and had done so by help of the very farmers by means of whose plunder they had obtained the power which recently has been so much increased, and of the exercise of which we have now so much reason to complain.

To that great error on the part of American farmers we have been indebted for the present war. What are the facts bearing on their present condition and future prospects, that have been developed in its course, and what the measures required for enabling us to *outdo England without fighting her*, and thus achieve an independence that shall be something more than a mere form of words, I propose to show in another letter, meanwhile remaining,

Yours, very truly,

HENRY C. CAREY.

Hon. S. Colfax.

Philadelphia, January 20, 1865.

THE FARMER'S QUESTION.

LETTER SECOND.

DEAR SIR:—

THE period, 1858–60, embraced in the returns given in my last, was one of peace, and much of the food of the West yet continued to pass southward on its way to European markets. Wheat took the form of flour, and corn became pork, for the supply of men engaged in raising and forwarding cotton. The latter went abroad, there to be combined with Polish and Russian wheat, to be thence returned to the poor farmer of Wisconsin who was glad to obtain even a single yard of indifferent cotton cloth in pay for a bushel of corn that had been exchanged in the market of Manchester for fifteen or twenty yards. He was thus giving whole *skins* for sixpence and taking his pay in *tails* at a shilling; as a consequence of which he was always in debt, and always glad to borrow a little money, even when obliged to pay for the use of it at the extraordinary rates of 20, 30, 40, 50, and even, as I have understood, 60 per cent. per annum. Why was this? Not certainly because of any absence of fertility in the soil, that of the Mississippi Valley being equal in all natural powers to any other in the world. Not because, as in Europe, of any necessity for paying rent to a greedy landlord, for he had already attained to the position so much coveted by the working class of Europe, that of landed proprietor. Why then was it? Because he had, of his own motion, made himself the mere *serf* of the class whose operations were so well described in the passage given at the close of my last; of that class which desires that food may be cheap and cloth and iron dear; of that one which seeks to compel all the farmers of the world to bring their products to a single diminutive market, there to sell what they have and to buy what they need; of that one which talks of free trade while seeking to create for itself an absolute monopoly of machinery of conversion and exchange; of that one, in fine, which now stands indebted to him and others like him for all the power which has, in the past four years, been used for the destruction of our commerce on the seas, for the maintenance of the rebellion, and for the annihilation of that Union upon whose prolonged existence is now dependent the whole future of the laboring classes not of America alone, but of the world at large.

The war having closed the South against the products of the West, there arose a necessity for seeking a market somewhere in the East. Where, however, could they have even looked for it, had we continued to maintain that British free trade system under which we had been made so almost entirely dependent upon distant nations for supplies of cloth and iron? Look as they might it could nowhere have been found. Happily, secession brought with it, and on the instant, a power on the part of the North which speedily exhibited itself in the re-adoption of that protective system by means of which the value of the products of our coal and iron mines, our furnaces and rolling mills, has been carried up to two hundred and fifty millions of dollars, making demand, in a thousand ways, for the fruits of the earth to little short of that vast amount. The effect of the creation of this great market exhibits itself in the Message of Governor Yates, of Illinois, just now delivered, the following extract from which is recommended to the careful consideration of the farmers of the country:—

> "As a State, notwithstanding the war, we have prospered beyond all former precedents. Notwithstanding nearly two hundred thousand of the most athletic and vigorous of our population have been withdrawn from the field of production, the area of land now under cultivation is greater than at any former period, and the census of 1865 will exhibit an astonishing increase in every department of material industry and advancement; in a great increase of agricultural, manufacturing, and mechanical wealth; in new and improved modes for production of every kind; in the substitution of machinery for the manual labor withdrawn by the war; in the triumphs of invention; in the wonderful increase of railroad enterprise; in the universal activity of business, in all its branches; in the rapid growth of our cities and villages; in the bountiful harvests, and in an unexampled material prosperity, prevailing on every hand; while, at the same time, the educational institutions of the people have in no way declined. Our colleges and schools, of every class and grade, are in the most flourishing condition; our benevolent institutions, State and private, are kept up and maintained; and, in a word, our prosperity is as complete and ample as though no tread of armies or beat of drum had been heard in all our borders."

It may be said, however, that the Government demand for food has had much to do with the change for the better that is here exhibited. Whence, however, has the National Treasury obtained the means by which it has been enabled to pay its troops and buy their food? Whence have come the vast sums required for fitting out our present enormous fleets? Whence have come those required for constructing roads in Illinois and other Western States? Why is it that the people have been, in time of war, enabled to do so much when in the previous time of peace they could do so very little? For an answer to all these questions, my dear sir, allow me to ask you to look to the following exhibit of the movements of the New York savings banks in the last seven years:—

	No. of Banks.	Amt. of Deposits.	No. of Depositors.
Jan. 1, 1858 . . .	54	$41,422,672	203,804
" 1859 . . .	56	48,194,847	230,074
" 1860 . . .	64	58,178,160	273,697
" 1861 . . .	71	67,440,397	300,693
" 1862 . . .	74	64,083,119	300,511
" 1863 . . .	71	76,538,183	347,184
" 1864 . . .	71	93,786,384	400,194

We have here 400,000 little capitalists, the average of whose savings is but $235, giving us a total of little less than a hundred millions of dollars. Two of those banks are specially devoted to the care of the funds of immigrants, and the following figures exhibit the extent of their operations:—

	Resources.	No. of Depositors.
Jan. 1, 1860	2,442,048	10,360
" 1861	3,420,321	14,838
" 1862	3,471,777	14,365
" 1863	4,475,291	18,621
" 1864	6,056,600	24,151

Turning now to Massachusetts, we find the increase of deposits in the four years, 1860–63, to have been more than a third of the total amount deposited in all the long period that previously had elapsed. The actual increase was $17,503,000, of which no less than $12,150,000 took place in '62 and '63. The mere savings of two States, in two years, thus present us with an increase of capital exceeding $40,000,000, a sum that is one-half as great as that of the whole British capital that, twenty-five years since, had been applied to the building of the mills, workshops, and warehouses, and to the creation of the machinery, required for the then gigantic cotton manufacture.

When furnaces and factories are being increased in number labor is in demand, wages rise, immigration grows, and the power of accumulation increases; and hence it is, that with every step in that direction we witness a manifestation of greater power for further progress. From '58 to '61, notwithstanding a large increase in the number of New York banks, and consequent wide extension of their field of operations, the increase of deposits was but $26,000,000. The first year of the war brought with it a shock that caused suspension of business, accompanied by great decline of wages, and the result, as we see, exhibited itself in a large diminution of deposits. The second year of war brought with it that revival of demand for labor which had always previously attended the re-establishment of protection, and with it came an increase of deposits amounting, in the two succeeding years, to little less than $30,000,000. That increase, too, was obtained without any extension of the field of operations, the number of banks in the last year having been actually less than it had been two years before.

With the increased demand for labor consequent upon the creation of a great domestic market for food the whole country has become one great savings' bank, as a consequence of which the State and Federal Governments have been enabled to collect thousands of millions where before they could scarcely obtain hundreds, the people meanwhile creating for themselves machinery of production and transportation to an extent greater than ever before had been created in the same period of time in any country of the world.*

It may be said, however, that there has been a European demand for our provisions and our bread-stuffs, and such has certainly been the case. Just at the moment when the Southern demand ceased Providence was pleased, in mercy to us, to afflict the people beyond the Atlantic with two successive crops both of which were much below the average, and thus was created one of those unexpected demands for which, under the British free trade system, our farmers are compelled so fervently and so frequently to pray, though knowing well that short crops abroad must bring famine, distress, and ruin to thousands and tens of thousands of men who, like themselves, have wives and children to support. The momentary effect exhibits itself in the fact that in the three years ending June 30, 1863, our exports of the principal articles of food were as follows:—

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* In 1857, there were in operation 26,210 miles of railroad. In 1861, 31,800, giving an average increase of 1,120 miles per annum. Last year there were 35,000, giving an annual increase of 1,067 per annum—that obtained, too, at a time when the demand for services in the mills, mines, and factories of the country, and in the field, had doubled, even where it had not trebled the price of labor.

	1860–61	1861–62	1862–63
Wheat . .	$38,313,624	$42,573,295	$31,430,270
Flour . . .	24,645,289	27,534,677	25,458,989
Corn . . .	6,890,865	10,387,383	3,321,526
Pork . . .	2,609,818	3,980,153	4,334,775
Hams and bacon	4,729,297	10,004,521	15,775,570
	$77,188,893	$94,480,029	$80,321,130

What, however, were the prices at which these commodities were given to the European world? What was the great bonus that even then, in times of scarcity, was paid to American farmers in return for closing up in 1846 a market among our miners of coal and iron, lead and copper, that would before that day have amounted to thousands of millions of dollars? Let us see.

As given in the Reports of Commerce and Navigation, the export prices, reckoned for the first year in gold, and for the subsequent ones in paper, were as follows:—

	1860–61	1861–62	1862–63
Wheat, per bushel . . .	$1 22	$1 29	$1 33
Flour, per barrel . . .	5 00	5 70	6 40
Corn, per bushel . . .	62	55	66
Pork, per barrel . . .	17 00	13 00	13 00
Hams, &c., per pound . .	10	8½	10½

Deducting from these prices the heavy charges of transportation and converting the balance into gold it must be clearly seen that it is not in that direction we are to seek the cause of the improvement now observed in the condition of the agricultural population of Illinois and other loyal States. Where then shall it be sought? *In the direction of the production of commodities that do not bear transportation, and that are dependent for a market upon the domestic demand alone.* Read over, my dear sir, the passage above given as descriptive of the condition of Illinois, and you will see that it indicates demand for commodities whose bulk, or whose delicacy, forbids transportation. Potatoes and turnips, of which the earth yields by hundreds of bushels to the acre, cannot be raised where the domestic market has no existence. When, however, the coal mine, the lead mine, or the iron ore mine, comes to be opened, the market is at once created, and it extends itself with every new furnace, every new factory, every new rolling mill, until at length the farmer everywhere obtains the power to determine for himself whether to raise thousands of bushels of potatoes, or hundreds of bushels of wheat; and then it is that the Declaration of Independence becomes to him something more than a mere form of words; then it is that it becomes a reality and a blessing.

That independence, however, is precisely what the "wealthy English capitalist" does not desire that he shall obtain. What *he* desires is, that the distant farmer shall have no market near him; that he shall be compelled to limit himself to the production of commodities of which the earth yields little, and that can, therefore, go to that distant market in which Russian, Polish, German, Egyptian, and American food producers are to contend with each other as to which shall sell most cheaply—then again competing with each other for raising the prices of all the commodities they need to purchase. In this manner it is that *he* buys *skins* at sixpence while selling *tails* at a shilling. By this it is that he is enabled to put into his own pocket three-fourths of the produce of the labor of those poor and distant *serfs* to whom occasionally, and as a great favor, he lends a little of his surplus profits to be applied to the making of new roads by means of which population may be more widely scattered, while he himself is thereby relieved from the danger of any increase in the competition for the *purchase* of wool, rags, or corn, or for the *sale* of cloth and iron, the commodities of which he is the owner.

The market whose prices for food regulate those of all the world is that of Great Britain. Whatever raises prices there raises those of New York and Boston, Chicago and St. Louis. How trivial was the quantity that in the first three years of the war was absorbed by that market, and how low were the prices obtained, have above been shown. Why were prices, at a time of real scarcity, so very low? Because we had so much to sell. Had only one-fourth of what we sent been retained at home for the consumption of men engaged in mining coal and ore and making iron, while another fourth had been retained for the supply of men, women, and children coming from abroad to work in our mines, our factories, and our fields, *we should have obtained almost as much for the remaining half as we did obtain for the whole.* That, however, is not all. Had we sent but one-half the quantity, and had the difference of price thus produced been but a single shilling sterling per bushel, that difference would have been felt by every bushel of the whole thousand millions produced in the loyal States, giving to be divided among their producers *an additional two hundred and fifty millions of dollars*, and enabling them to buy more cloth and more iron, and thus to live better, while so improving their machinery of production as to give them greatly more to sell in succeeding years. Had it made, *as it certainly would have done,* a difference of eighteen pence a bushel, the difference to our farmers—leaving altogether out of view corresponding differences in the prices of all their other products—would have been *little less than four hundred millions.* That amount, at the least, is it that they have paid in each of the last three years, for having, during a long period of years, so repeatedly crushed out the cotton and woollen manufactures, the coal, iron, and other important branches of industry; and in that way it has been that they have built up, at their own cost, "the large capitals" which have so systematically been used by our British *friends* as "the great instruments of warfare against the competing capital of other countries." They, themselves, make the whip whose lash they so severely feel. They, themselves, fashion the club by means of which they are struck down at the feet of their foreign masters. They, themselves, by tolerating among their Representatives a perpetual agitation of the British free trade question, are now paving the way for a return to a state of colonial subjection greater than has existed at any period since the peace of 1783.

For proof of this allow me now to request you to look at the consequences that must inevitably follow from the recent action of your House in regard to the paper manufacture. Under that action printing paper can no longer be made in this country, and we have now to choose between going abroad for $25,000,000 of paper, or dispensing with our usual supplies of journals and of books.

Under the action of the last session we shall, whenever the price of gold falls, be obliged to go abroad for, as I believe, the whole of the iron now produced, and the whole of the coal now employed in making iron. Taking these two items together, and placing them at a gold value of only $150,000,000, the question now arises as to how we are to pay for them? Seeking an answer to this question we are led naturally to look to the state, in regard to prices and demand, of the great regulating market of the world, and, fortunately, one of the New York journals of the day furnishes, in an extract from a Liverpool letter, all the information that we need, as follows:—

> "The wheat market continues without a symptom of revival. If your supplies were to fall off Germany would at once begin to increase her consignments to us. *The possibility of a rally in our home prices is thus effectually prevented, and the year closes with the price of bread at a point lower than has been known within modern experience.*"

Germany and America thus contending for the supply of a diminutive market, prices are "lower than have been known within all modern experience," and the market presents no "symptom of revival." In this state of things it is, that we are arranging for drawing from Europe hundreds of millions of dollars worth of paper, coal, and iron, to be paid for by crowding on the British market all the flour and all the pork and beef now employed in fabricating the first, and in mining and converting the others! Such being the tendency of all our present legislation, am I, my dear sir, much in error in asserting that, often as our farmers have been "brayed" in the British free trade "mortar" their "foolishness" has not yet "departed from them?"

All that has thus far been done towards increasing our dependence on the diminutive British market constitutes, however, but one of the steps in that direction. The repeal of the paper duty has rendered necessary a movement towards the abolition of all duties affecting the materials required for the paper manufacture. Of these soda ash, of which our consumption is probably 40,000 tons, is one of the most important. Why have we not made it? Why do we not now make it? Why is it that the Iowa farmer has been using his corn as fuel when there were thousands and tens of thousands of European men who would gladly have come and eaten it while engaged in converting into soda ash the coal, the lime, and the salt that underlie so much of the land of the Mississippi Valley? Because the country gives to the capitalist no security that he shall not be crushed out of existence after having expended hundreds of thousands of dollars in the erection of works required for the conversion of raw materials into the commodity we so greatly need! In the absence of such security, and in the presence of agitation such as has now succeeded, so far as your House, my dear sir, is concerned, in crushing out one of the greatest and most fundamental of our industries, we shall be required to continue year after year to give to our masters, the "wealthy capitalists" of England, corn in its natural state at a few cents per bushel, buying it then back again in the form of bleaching powders at pence per pound—thus giving the skin for sixpence, and repurchasing the tail for a shilling.

It being required of us that we now abandon the protective system, and look once more to Europe for that great market which, as we were assured in 1847, was before this time to take from us "breadstuffs" to the annual amount of hundreds of millions, it may be well here to inquire what it is that that system has done for our farmers in the short period that has elapsed since the abdication of Southern masters gave to the North once more the power of self-protection.

The total export from the port of New York, exclusive of specie, in the week ending January 24, is given by the *Evening Post* at $6,333,663. Of this there appears to have been of breadstuffs and provisions going to those European markets from which we are likely henceforth to be obliged to draw our paper and our iron, as follows:—

Beef	500 tierces.
Flour	110 barrels.
Bacon	49,228 pounds.

In the same week the exports from Boston amounted to $481,447, in which were included 151 tubs of butter for Liverpool. Of an export, from those two ports, of nearly seven millions, the whole amount of breadstuffs and provisions for Europe did not exceed $30,000, or less than *one-half of one per cent.* How the remainder of the vast sum was made up will be seen on an examination of the following list of exports to the Argentine Republic, which presents a very fair specimen of the whole, as given in the *Shipping List*:—

Sewing Machines	cases	142	Drugs	pkgs.	185
Hoop Skirts		21	Glassware	cases	81
Furniture		280	Hardware	pkgs.	438
Clocks		182	Petroleum	galls.	3,158
Manufactured Tobacco	lbs.	17,975	Wax	bbls.	10
Oars	pcs.	500	Naval Stores	pkgs.	20
Oak		235	Hops	bales	38
Varnish	bbls.	26	Woodenware	pkgs.	126
Spirits Tar	galls.	50	Pepper	bags	496
Shoe Pegs	bbls.	55	Cloves	bales	100
Nails	kegs	306	Lumber	feet	470,896
Perfumery	cases	75			

These articles, my dear sir, are merely the food of the laborer in another and higher form ; and thus it is that, to the weekly extent of millions of dollars, our farmers are enabled, by means of a diversified industry, to relieve themselves from the necessity for forcing their products on the already glutted market of England. The total export of breadstuffs to Great Britain and Ireland, in the last five months, as given in a table now before me, has been as follows :—

Flour	59,998 barrels.
Wheat	1,305,183 bushels.
Corn	56,933 bushels.

To the Continent there have gone 2,669 barrels of flour, and 68,521 bushels of wheat. Such is the great European market to which we are now advised to look for all our supplies of cloth, paper, and iron ! Such is the market in whose favor we are now required to sacrifice coal and iron industries whose total products, in their various forms, now exceed four hundred millions of dollars, nearly the whole of which vast sum goes, directly or indirectly, to the men who are employed in clearing the land or cultivating it !

Why, however, is it that so little food can be spared for Europe? *Because the domestic market has already become so large that prices are above the exportation standard.* Let us go ahead in the direction in which for three years past we have been moving—let us give to the makers of paper and the smelters of iron ore that security without which they *dare not* enlarge their works or increase their number—and the day will not then be far distant when we shall be *importers* of wheat, instead of exporters of it, making a market for all the products of Canada and enabling our own farmers and landholders to become rich and independent, instead of being, as in all time past they have been, the mere *serfs* of those "wealthy capitalists" whose first wish is that food may become cheaper, and cloth and iron dearer.

Forty years since, General Jackson asked of his countrymen the important question, "*Where has the American farmer a market for his surplus products?*" In answer thereto he spoke as follows, and nothing more accurate was ever written :—

> "Except for cotton, he has neither a foreign nor a home market. *Does not this clearly prove, when there is no market either at home or abroad, that there is too much labor employed in agriculture, and that the channels of labor should be multiplied?* Common sense points out at once the remedy. Draw from agriculture the superabundant labor, employ it in mechanism and manufactures, thereby creating a home market for your breadstuffs, and distributing labor to a most profitable account, and benefits to the country will result. TAKE FROM AGRICULTURE IN THE UNITED STATES SIX HUNDRED THOUSAND MEN, WOMEN, AND CHILDREN, AND YOU AT ONCE GIVE A HOME MARKET FOR MORE BREADSTUFFS THAN ALL EUROPE NOW FURNISHES US. In short, sir, we have been too long subject to the policy of the British merchants. It is time we should become a little more Americanized, and, instead of feeding the paupers and laborers of Europe, feed our own, or else in a short time, by continuing our present policy, we shall all be paupers ourselves."

France and England have pursued the policy here recommended, and they are now the greatest exporters of food in the world, the annual amount, with each, counting by hundreds of millions of dollars. They, however, combine hundred-weights of food with pounds of wool, silk, and cotton, and thus enable the former readily to make its way throughout the outside world. We are now, in proportion to our numbers and resources, the smallest food exporters of the world, because we insist on sending the raw materials of cloth to be combined together in other and wiser countries.

The policy recommended by General Jackson was that of the protective period from 1828 to 1834, at the close of which we paid off the last remnant of our national debt. It was that of the period from 1842 to 1847, which commenced with a scene of almost universal ruin, and closed with an exhibit of prosperity such as the world had never before seen. It is the policy by means of which our farmers are now relieved from all necessity for forcing their products on foreign markets, to be there taken, at prices to be fixed by themselves, by "wealthy capitalists," who pay for them in cloth and iron, at prices also fixed by themselves.

For a portion of this relief they have been indebted to the demand created by large bodies of men employed in carrying muskets, but this is so far from being opposed to the view above presented that it furnishes proof conclusive of its truth. Change those men into miners and puddlers, producers of silks and cottons, watches and locomotives, and their demands for the various products of the earth will be greater than now they are. As it is, the farmer profits only by an increase in the prices of what he has to sell. As it then would be, he would add thereto a decrease of price in regard to all that he required to purchase. The truth of the Jacksonian doctrine is, thus, thoroughly demonstrated by the facts now presented in the consumption of our fleets and armies. As human pursuits become diversified land acquires value and the farmer becomes rich and independent.

Who, now, are the men who have combined together for the destruction of the great paper, coal, and iron industries, and for the reduction of the farmer to his former dependence on British markets? Let us see. They are—

I. Railroad owners, who, in the last three years, have taxed the farmer to the utmost of their ability by increasing the charge for transportation:

II. British agents who look to reduction in the price of food and augmentation in the price of iron for increase of their commissions:

III. Secessionists at home and abroad, in and out of Congress—men who look to bankruptcy of the National Treasury as the most certain means of obtaining elevation for themselves.

Against these should now be banded together—

I. Every farmer who desires to see the tax of transportation diminished and the value of his land increased:

II. Every laborer who desires to find himself in the condition of one of the owners of the land:

III. Every landholder who sees in liberal reward of labor a stimulus to that immigration by means of which the number of purchasers of land must be increased:

IV. Every man who sees that land increases rapidly in value as industry becomes more and more diversified, while declining as rapidly when furnaces and mills are closed and diversification dies away:

V. Every holder of a Government note, or bond, who sees that it is the Internal Revenue alone to which he and others like himself must in future look for payment of their interest:

VI. Every lover of his country who sees that with every increase in the domestic commerce there is an increase in the number of the threads by means of which the Union is to be held together:

VII. Every man who appreciates the fact that it is to that British free trade by means of which we have been compelled to look to a distant market as the one in which to make all our exchanges, that we have been indebted for the loss of property and of life that has resulted from the great rebellion; and,

VIII. Every man who feels as an American should feel in reference to the conduct, throughout the past four years, of that British people which teaches everywhere "free trade" as the most efficient means of securing a monopoly of the machinery of transportation and conversion for the world at large.

If this nation is ever to become really independent; if it is ever to become *Americanized;* if it is ever to occupy that position in the world to which the vast amount of mineral wealth placed at its command so well entitles it; if it is ever to cease to be a mere puppet in the hands of foreign agents; if it is ever to be placed in a position to perform the duties of its great mission to the poor and oppressed throughout the earth; its people must learn that in the real and permanent interests of all the portions of society there is a perfect harmony, and that of all who should desire the establishment of that certain protection which shall authorize the capitalist to open mines, build furnaces, improve water-powers, and erect mills, there are none whose interests look so much in that direction as do those of the landowner and the farmer. All, however, are greatly interested; all should learn to appreciate the advantages that must result from combination for relief from that foreign domination under which we have so long and so severely suffered; and all should study the admirable lesson taught in the following fable by our old friend Æsop:—

"An old man had many sons, who were often falling out with one another. When the father had exerted his authority, and used other means in order to reconcile them, and all to no purpose, at last he had recourse to this expedient: he ordered his sons to be called before him, and a short bundle of sticks to be brought; and then commanded them, one by one, to try if, with all their might and strength, they could any of them break it. They all tried, but to no purpose; for the sticks being closely and compactly bound up together, it was impossible for the force of man to do it. After this, the father ordered the bundle to be untied, and gave a single stick to each of his sons, at the same time bidding him try to break it; which, when each did with all imaginable ease, the father addressed himself to them to this effect: 'O my sons, behold the power of unity! for if you, in like manner, would but keep yourselves strictly conjoined in the bonds of friendship, it would not be in the power of any mortal to hurt you; but when once the ties of brotherly affection are dissolved, how soon do you fall to pieces, and are liable to be violated by every injurious hand that assaults you!' "

The men of the North have shown their appreciation of this lesson by the determination they have manifested to maintain the Union of the States. Let the people of all those States show their appreciation of it by combining together for securing permanently to the farmer such a market for his products as shall free him wholly from the tyranny of the "wealthy capitalists" abroad; let them determine that American food *shall* go to the production of all the cloth, all the paper, and all the iron they need to use, and we shall then have discovered the true and certain mode of *outdoing England without fighting her.*

In another letter I propose to examine the railroad question, remaining meanwhile, with great regard and respect,

Yours, very truly,

HENRY C. CAREY.

Hon. Schuyler Colfax.

Philadelphia, Jan. 30, 1865.

THE RAILROAD QUESTION.

DEAR SIR:—

THE man who habitually retains himself in a position to be obliged to seek for purchasers of his labor or its products rarely fails to reap ruin as its result. He who, on the contrary, so places himself as to be enabled to compel purchasers to come to him, finds his power of accumulation increase with each succeeding year, and ends with colossal fortune. The first is that one in which the American people, guided by British agents, have always kept themselves, and we have the result in a war that must have brought universal ruin had it not brought with it also emancipation from that British free trade policy whose effects are so well described by General Jackson in the admirable letter already given. The second is that in which the people of France, under a system of protection maintained with a persistence that has no parallel in history, have placed themselves. The whole world is compelled to go to them to buy, and *they* fix the prices at which they choose to sell. The world is compelled to go there to sell, and *they* are thus enabled to fix the prices at which they choose to purchase. The result exhibits itself in a most extraordinary increase in the value of lands and houses, the figures of which I have seen but cannot at the moment find. Well, however, do I recollect that they were of a character calculated to excite astonishment even in one who had witnessed the effect on western lands of a steady flow of emigration from the East.

The first has been governed by that class of men of which Mr. Secretary Walker is the type; that class which proclaims that this is naturally "an agricultural country," and that we must seek abroad a market for our "breadstuffs and provisions"—thereby so limiting our people in their modes of employment as to make the country little more than a mere puppet in the hands of foreign traders. The other has been, in this respect at least, governed by men of whom the great Colbert is the type—men who have clearly seen that national independence was to be achieved by means of bringing the consumer to take his place by the side of the producer, and thereby giving value to both land and labor. The results exhibit themselves in the fact that France now controls the movements of all Europe, while the people of this country, with natural advantages a thousandfold greater, and almost as large a population, now find themselves compelled to abandon the Monroe doctrine and fight for national existence—France, meanwhile, obtaining command of our immediate neighbor, Mexico.

Shall we ever do better? It may well be doubted. Often as our farmers, our merchants, and our transporters have been "brayed" in the British free trade "mortar," their "foolishness" has not yet "departed from them;" and, judging from recent proceedings in Congress, it would seem that, sad as has been our experience, they are little likely even now to profit by it. Nothing, as it would seem, can open their eyes to a perception of the great fact, that in the real and permanent interests of the West and the East, the North and the South, as well as in those of the ship-owner, the railroad proprietor, the miner, the iron-master, the land-owner, and the laborer, there is a perfect harmony, and that it is absolutely impossible to injure any one of them without at the same time injuriously affecting all the rest. Blind to this are they all, and, as a consequence of this it is, that we find western land-holders and laborers combining with railroad managers for promoting the adoption of a policy that each and every one of them would bitterly denounce could he but be persuaded to pause a little in his course and study carefully what had been the effect in the past of measures similar to those whose adoption he now so earnestly advocates.

Of all, there are none who have shown themselves so blind to their true interests as those same railroad managers. All experience teaches that roads are profitable in the ratio borne by way to through business, and unprofitable in the ratio borne by through to way business. Why is it so? Because with the growth of this latter they become independent; whereas, with increase in the proportion borne by through business they become more and more dependent. In proof of this we may take the fact, that such has been the competition for this latter that produce has, on many occasions, been forwarded from Chicago to New York more cheaply than from Buffalo, and more cheaply from this latter than from either Rochester or Syracuse. In this manner they first offer bounties on emigration from the older States, and then find themselves compelled to enlarge their capital and extend their roads with a view to retain their business. Common sense might, as one would think, teach them that by aiding in the development of our great mineral resources they would be creating a local traffic that could be carried on at small cost and with great profit to themselves; yet have they invariably been found combining with British agents in opposition to such development, thereby imposing upon themselves a necessity for still further extension of their lines, with steady diminution in their power to pay their stockholders.

Our railroad history covers a period of only five and thirty years, and it may now be not unprofitable to cast our eyes back over that period with a view to ascertain what are the lessons for the future that may be thence deduced.

In 1832, the railroad interest insisted upon depriving our furnaces of the manufacture of railroad bars. In the ten succeeding years many roads were made, and all with British bars bought at the highest prices. As a consequence the cost of roads was great, and at the close of the free trade period in 1842 the railroad interest was in a state of almost universal ruin. Why was it so? Because the road-makers had united with British traders in urging upon the country a policy whose effect had been that of making them yearly more and more dependent upon a through trade that could not be made to yield a profit. The domestic market for food had been greatly lessened, while that of Europe had failed to grow.

The tariff of 1842 imposed a heavy duty on railroad bars, and then for the first time was their manufacture commenced on this side of the Atlantic. Iron generally being well protected the production rose in half a dozen years to 800,000 tons, and the consumption to 900,000. Labor being everywhere in demand, immigration trebled in that brief period. Towns and villages increased in number and in size. The local traffic therefore grew, and railroads became once more profitable to their proprietors.

Taking no lesson from experience railroad and canal owners united in beating down protection, and giving us Mr. Walker's free trade tariff of 1846. How they profited of this may be judged from the following figures giving the receipts of some of the principal works in the period from 1842 to 1849:—

	New York canals.	Balt. and Ohio railroad.	Pennsylvania canals.	Total.
1842,	1,749,000	426,000	903,000	3,078,000
1844,	2,446,000	658,000	1,164,000	4,268,000
1846,	2,756,000	881,000	1,357,000	4,994,000
1847,	3,635,000	1,101,000	1,587,000	6,323,000
1848,	3,252,000	1,231,000	1,550,000	6,033,000
1849,	3,266,000	1,241,000	1,580,000	6,087,000

Under protection the receipts more than doubled, as here is shown. As the British free trade system became more fully operative they declined, thus presenting a striking commentary on Mr. Walker's assertion, made but two years previously, that under a free trade system "our own country, with its pre-eminent advantages, would measure its annual trade in imports and exports by thousands of millions of dollars."

At that moment, however, California had already begun to furnish to the world its golden treasures, thus making a market for labor under which immigration for several years rapidly increased. That period, however, terminated with 1854, and thenceforward railroad property, *as a natural consequence of continued railroad agitation for the abolition of the duty on railroad iron*, rapidly decreased in value, as is shown by the following figures :—

	1852–3.	1855.
Baltimore and Ohio	98	56
Boston and Worcester	105	87½
New York and Erie	85	52
Cleveland and Pittsburg	93	70
Michigan Southern	118	97
Cincinnati and Dayton	102	85
Pennsylvania Central	93	88
Camden and Amboy	149	128
Boston and Maine	102	94

From that date to the opening of the rebellion immigration declined; internal development almost ceased; and railroad property so much depreciated that the average value of the New York Central, Erie, Hudson River, Reading, Michigan Central, Michigan Southern, Rhode Island, Cleveland and Toledo, Illinois Central, and Galena and Ohio roads was *only forty-two per cent.*

The war came, bringing with it protection to the farmer, accompanied by an increase in the value of railroad property, as exhibited in the following figures giving the average prices of the several roads last above referred to :—

January, 1855	1860	1862	1863	1864
42	56	51	95	143

Seeking now the cause of the vast change that is here exhibited we find it in the following passages from Reports just made by two important Western roads—the Southern Michigan and the Cleveland and Pittsburg Railroad.

From the first we learn that—

"Although the decline on the through business is at the rate of $30,000 to $40,000 per month, so great has been the increase in local traffic that the aggregate earnings for January, 1865, show an increase of about $50,000 over the corresponding month last year. Although there has been no diminution in the number of employees, the aggregate number of miles run by passenger trains is now 5000 per week less than it was before the issuing of the passport order. There is, therefore, a considerable saving in running expenses."

And from the second that—

"The great increase of freight upon the road has come in a very important degree from two articles of traffic which may be considered the staple of your road, naturally and legitimately belonging to it. These articles are coal and iron ore of Lake Superior. The coal interest was one of the principal agencies in planning and building this road, and those early projectors of the enterprise have always looked to the development of the coal mines on the line of the road as a sure and steady means of remuneration. The coal trade has from the first held an important place among the various sources of revenue to your road. It has steadily increased with the progress of years, and as manufacturing has been more extensively undertaken, and as new demands for coal from regions before unsupplied have arisen, the transportation over your road has been greatly increased in amount."

What is true of these two roads, is almost equally so of those of the country at large, the existing prosperity of the whole railroad interest having come as a natural consequence of great developments of mineral wealth. Take, for instance, petroleum, of which to the extent of $46,000,000 was sent to market in the past year, and see, my dear sir, how large have already become its contributions to railroad revenues. Look further, however, and see how enormous they must become when Ohio, Virginia, and other States shall have sunk their wells and erected their engines, and when refineries shall, at the place of production, fit it for cheap transportation to the remotest corners of Maine in the Northeast and Texas in the Southwest, Florida in the Southeast and Nevada in the Northwest;

and then endeavor to satisfy yourself to what extent it is that every road in the country is interested in the successful prosecution of the great work of development that has but now commenced. Take next the 13,000,000 tons of coal now mined, and follow them in their travels throughout the Union, paying toll directly to roads in the East and roads in the West, and indirectly to every one in the whole extent of the loyal States. Add now to them the 1,300,000 tons of pig metal at present made, and follow them, in all their various forms of railroad bars, stoves, pipes, knives, and engines, and then determine to what extent they have contributed to give to the roads of the country their present value.

Study next, I pray you, the perfect harmony of all these various interests, and satisfy yourself how shortsighted are the men who believe in national discords. What is it that has so suddenly given an almost fabulous value to the great oil region of the West? Is it not the almost immediate presenee of the great machine-shops of Ohio, Indiana, Illinois, and Pennsylvania? What would be its value were its owners obliged to seek in Birmingham for engines? It would have none whatsoever. To whom, however, are we indebted for those shops? Is it not to men who have sunk mines and built furnaces, others who have mined coal and ore, and still others who have converted raw material into pigs and pipes? That it is so, cannot be questioned. The harmony of all those interests is absolute and complete.

Equally so is that which exists between the men who make and those who need to purchase the railroad bar. Many millions of dollars worth of oil go to market, there to be exchanged for sugar and coffee, cloth, iron, and the thousand other commodities needed for a population that is increasing in wealth and numbers, and at every stage of their progress they contribute towards railroad dividends. So, too, with the iron and the coal. I have now before me the accounts of a single iron establishment that paid last year, in railroad tolls, no less a sum than $200,000. Judging from this, at how many millions might we safely fix the contributions of coal and iron to the maintenance of the railroad interest?

To enable us to form an accurate judgment of the amount of such contributions by the great fundamental industries, let us for a moment look to the effect that would at once result from their annihilation. Would it not certainly diminish by two-thirds the real value of every railroad in the Union? That it would do so, cannot be questioned. What, then, would be the effect were we in the next seven years to double, even if we should not treble, the product of our mines, our furnaces, our rolling-mills, and our wells? Could it fail to be that of giving to all railroad property a fixed and certain value, even when estimated in gold, greater than it ever yet has known? That it could not fail to do so, is absolutely certain. That you may now be led, my dear sir, to arrive, in this respect, at the same belief with myself, I would ask you to look to the fact that a coal mine is a vast magazine of *power;* that thousands of tons of coal can be made to do the work of hundreds of thousands of men; that in the extent and variety of metallic deposits we are ahead of the whole of Europe combined; that POWER ALONE is needed for bringing to light the vast treasures of the iron mountains of Missouri on the west, and of the Adirondack on the east—of the great iron and copper beds of the shores of Lake Superior—of the wealth-abounding hills of Tennessee—of the great lead deposits of Illinois and Iowa—of the coal, iron, and gold abounding districts of Virginia—of the zinc and iron deposits of New Jersey—and of the granite hills of New England; that the power at our command is equal to that of almost the whole earth combined; that that now used in Great Britain alone is estimated as being equal to the labor of 600,000,000 of men; that by a proper application of our energies we might within the next decade go far beyond even that vast amount; that production increases almost geometrically as the power applied increases arithmetically; that exchanges increase with the increase of production; that the power to contribute to the maintenance of roads increases with a rapidity far exceeding that of production; and then determine for yourself how magnificent is the future that will open itself to the eye of every railroad manager when he and his fellow-proprietors shall have arrived at the conclusion, that there is a perfect harmony in the interests of the men who make iron and those who need to use it, and that an enlightened self-interest demands of them that they shall ask of Congress the establishment of such a revenue system as shall give to the capitalist that certainty in regard to the future which is needed for enabling us, before the lapse of another decade, to place ourselves side by side with Great Britain in the production of many of the most important metals, and before the close of another to leave her far behind, thus giving to the farmer a market near at hand for all his products.

The mind is lost in contemplation of the marvellous amount of wealth and power that has by a beneficent Creator been placed at our command. Still more, however, is it lost in wonder when studying the slow degrees by which we have arrived at the idea that prosperity among our people, freedom to the slave, and power and influence among the nations of the world, were to come to us only as a consequence of the application of that vast power to the development of that wonderful wealth. More than thirty years since, at the close of the protective period which began in 1828, our consumption of iron was 300,000 tons. Ten years later, at the close of a long and dreary free-trade period, with a population one-third greater, the consumption was still but little more. Five years later, at the close of the protective period of 1842, our production had already trebled, and so great had become the demand, that the import of foreign iron was nearly as great as it had been in 1842. Ten years still later, with a population again a third increased, and with all the advantage of California gold developments, our production, under the British free-trade system, had diminished, while our total consumption had scarcely at all increased. Of the four years that have since passed by, one was a period of universal prostration, and yet, in the three that have succeeded our consumption has been carried up to a point nearly one-third higher than that at which it stood at the outbreak of the great rebellion. These are remarkable facts, and with them is connected another series of phenomena of the highest importance to railroad proprietors, which, however, seems to have escaped their notice. *Whenever the domestic production of iron has been advancing railroad property has paid good dividends, while dividends have always declined as furnaces and rolling-mills became idle and their proprietors became bankrupt.* In 1832, the first of the protective periods above referred to, railroads had scarcely yet made their appearance on the stage, but transporters of every description were highly prosperous. In 1842, at the close of the first of the above-named free-trade periods, furnaces were closed and railroad companies were bankrupt. In 1847, the second protective period, ironmasters were prosperous and railroad companies paid good dividends. In 1854, under a temporary California excitement, railroad stocks were high and ironmasters were building rolling-mills. In 1860, at the close of the last free-trade period, railroad stocks were selling, as has been already shown, at an average of 42 per cent., and mills, mines, and furnaces were everywhere closed. To-day, after three years of protection, all is changed, *ironmasters having doubled their production and thus enabled railroad stocks to go again to par.*

The direct connection between the road and iron interests is here so clearly obvious that it is almost marvellous that the former should so long have failed to see it. More wonderful is it, however, that seeing what has but now occurred, they should yet continue so blind to their true interests as to array themselves in opposition to any measure on the part of Congress that shall tend to give that security for the future without which the capitalist *will not* give his time and his means to the opening of mines, or to the building of furnaces and mills. To induce him so to apply his powers he *must* have protection against that system so well described in an extract from a Parliamentary Report to which your attention has already more than once been called, and which, as I have said, should be read day by day, week by week, month by month, and year by year, by every man who desires to see the Union maintained, with constant increase in the power of the nation to command the respect of the other communities of the earth. It is as follows:—

> "The laboring classes generally, in the manufacturing districts of this country and especially in the iron and coal districts, are very little aware of the extent to which they are often indebted for their being employed at all to the immense *losses* which their employers voluntarily incur in bad times, in order *to destroy foreign competition, and to gain and keep possession of foreign markets.* Authentic instances are well known of employers having in such times carried on their works at a loss amounting in the aggregate to three or four hundred thousand pounds in the course of three or four years. If the efforts of those who encourage the combinations to restrict the amount of labor and to produce strikes were to be successful for any length of time, the great accumulations of capital could no longer be made *which enable a few of the most wealthy capitalists to overwhelm all foreign competition in times of great depression*, and thus to clear the way for the *whole trade* to step in when prices revive, and to carry on a great business before *foreign* capital can again accumulate to such an extent as to be able to establish a competition in prices with any chance of success. *The large capitalists of this country are the great instruments of warfare against the competing capital of foreign countries*, and are *the most essential* instruments now remaining by which our manufacturing supremacy can be maintained; the other elements—cheap labor, abundance of raw material, means of communication, and skilled labor—being rapidly in process of being equalized."

The wealthy British "capitalists" here described have their agents everywhere, and everywhere prepared for combination with every little private or local interest for the removal of grievances of which *they know their masters and themselves to be the cause.* What *they* desire, as they know full well, is that food may be cheap and iron high in price. What *we* desire, and what by means of protection we are seeking to obtain, is that the farmer may from year to year be enabled to obtain more spades and ploughs, and better means of transportation, in exchange for less and less of food. When, however, the farmer complains of the low price of corn, he finds the agent always at hand, Mephistophiles-like, to whisper in his ear that but for protection spades and ploughs would be cheaper, while food would command a higher price. When the railroad manager seeks to buy iron, he points to the low price at which British iron might be purchased, wholly omitting to call the attention of his hearer to the facts, that *British iron is always cheap when American people build furnaces, and when American railroad companies make good dividends, and always dear when American furnaces have been blotted out of existence, when their owners have been made bankrupt, and when American railroad stocks are of little worth.* In proof of this, I now give you the following facts as they present themselves in the Reports on Commerce and Navigation for the several years above referred to :—

At the close of the protective period which commenced in 1828 and terminated in 1833—that one in which for the first time the iron manufacture made a great forward movement, and therefore the most prosperous one that the country had ever known, the price at which British bar iron, rails included, was shipped to this country, was *forty dollars.*

Eight years later, in 1841, when our mechanics were seeking alms—when our farmers could find no market—when furnaces and mills were everywhere closed, and their owners everywhere ruined—when States were repudiating, and the National Treasury was wholly unable to meet its small engagements—the shipping price of British bars had been advanced to *fifty dollars.*

Eight years later, in 1849, after protection had carried up our domestic product to 800,000 tons, and after the British free trade tariff of 1846 had once again placed our ironmasters under the heel of the "wealthy English capitalist," we find the latter energetically using that potent "instrument of warfare" by means of which he "gains and keeps possession of foreign markets," and supplying bar iron at THIRTY DOLLARS per ton. In what manner, however, was the railroad interest paying for a reduction like this, by means of which they were being enabled to save on their repairs a tenth or a twentieth of one per cent. on their respective capitals? Seeking an answer to this question I find in the *Merchant's Magazine* a comparison of the prices in February, 1848 and 1850, of thirteen important roads, by which it is shown that in that short period there had been a decline of *more than thirty per cent.!* This would seem to be paying somewhat dearly for the whistle of cheap iron; and yet it is but trifling as compared with information contained in a paragraph which follows in which are given the names of numerous important roads, whose cost had been very many millions of dollars, but which "from prices quoted, and those merely nominal, seem to be of little or no value—not enough, nor one-fourth enough, to pay interest on the sums advanced for their creation."

At the close of another term of similar length, say in 1857, we arrive at a scene of ruin more general than any that had been witnessed since the closing years of that British free trade period which terminated with the universal crash of '42. How very low were then railroad stocks has been already shown. What, however, was the price at which British ironmasters were willing, now that they had so effectually crushed out competition, to meet the demands of railroad managers? Were they still willing to accept $30 per ton as the shipping price? Did they *then* manifest any desire to help the friends who had so largely aided them in "gaining and keeping possession" of this American market? Far from it! The more that railroad stocks went down, as a consequence of failure of the domestic commerce, the more determined did the British masters of our American stockholders show themselves, Shylock-like, determined to exact "the pound of flesh." In this unhappy period the shipping price of bars was $48, and that of railroad iron $42, the average having been FORTY-FOUR DOLLARS, or nearly fifty per cent. advance on the prices accepted in 1849, when our foreign lords and masters had been engaged in "*overwhelming all foreign competition in times of great depression,*" and thus "*clearing the way for the whole trade to step in when prices revived, and to carry on a great business before foreign capital could again accu-*

mulate so as to be able to establish a competition in prices with any chance of success."

Twice thus, at intervals of eight years each, have we had low British prices and great American prosperity as a consequence of the adoption of a policy under which American competition for the *sale* of iron has largely grown. Twice, at similar intervals, have we had high British prices and universal American depression as a consequence of the re-adoption of that system under which we have been compelled to compete in a foreign market for the *purchase* of British iron. Twice, thus, have American railroad managers been "brayed" in the British free trade "mortar," and twice have American transporters found prosperity by aid of those protective measures to which they have always shown themselves so much opposed. Their British free trade experience had been a somewhat sad one. Have they profited of it? Let us see.

Another eight year period has now passed by, and we reach the present year 1865, *with railroad stocks selling for a thousand millions of dollars that would not, at its commencement, have sold for five hundred millions.* What has caused this wonderful change? The re-creation, by means of a protective tariff, of a great internal commerce, *and nothing else.* Under that tariff mines have been opened, mills and furnaces have been built, demand has been created for labor and labor's products, commerce has grown, and road proprietors have participated with farmers in the advantages resulting from the creation of a great domestic market which are so well described in an extract from the recent message of Governor Yates, of Illinois, already given, but here reproduced because of its important bearing on the question now before us:—

> "As a State, notwithstanding the war, we have prospered beyond all former precedents. Notwithstanding nearly two hundred thousand of the most athletic and vigorous of our population have been withdrawn from the field of production, the area of land now under cultivation is greater than at any former period, and the census of 1865 will exhibit an astonishing increase in every department of material industry and advancement; in a great increase of agricultural, manufacturing, and mechanical wealth; in new and improved modes for production of every kind; in the substitution of machinery for the manual labor withdrawn by the war; in the triumphs of invention; in the wonderful increase of railroad enterprise; in the universal activity of business, in all its branches; in the rapid growth of our cities and villages; in the bountiful harvests, and in an unexampled material prosperity, prevailing on every hand; while, at

the same time, the educational institutions of the people have in no way declined. Our colleges and schools, of every class and grade, are in the most flourishing condition; our benevolent institutions, State and private, are kept up and maintained; and, in a word, our prosperity is as complete and ample as though no tread of armies or beat of drum had been heard in all our borders."

The picture here given is that of every loyal State of the Union, and yet it is but the beginning of the change that is to be accomplished by means of the establishment of perfect commercial independence. Railroad proprietors have already profited of it to the extent of hundreds of millions of dollars, and they have yet to profit to the extent of many other hundreds of millions by the further opening of mines, the further building of mills, and the further development of the wonderful amount of mineral wealth placed by a kind Providence at our command, and waiting only the application of that power which now lies hidden beneath the soil of so many thousands of square miles of all these central States. So having profited in the past, and having in view so large a profit in the future, it might be supposed that they would now, at least, be content. Are they so? Are they disposed to let well alone! Has their "foolishness" at length departed from them? Having been now so repeatedly "brayed" in the free trade "mortar," are they now at last awakened to a sense of the advantages that must inevitably result to themselves from carrying up our production of iron from hundreds of thousands to millions of tons? Do they see that, to enable the Union to hold together, we must establish such an internal commerce as will permit of exchanges being made between its various parts freed from the intervention of British agents, British ships, and British ports? *Are their eyes yet open to a perception of the fact that the country that makes the most iron is the one into whose hands must fall the direction of the commerce of the world?* Have they, in any manner, profited by the sad experience of the past? To all these questions the reply must, unhappily, be a negative one. Like the Bourbons, they have learned nothing, and have forgotten none of their free trade prejudices, and it is much to be feared they never will, or can, do so. Despite all the lessons of the past they have now allied themselves with British agents for crushing out those great fundamental industries to which alone we can look for that success in the war in which we are now engaged without which railroad stocks and bonds, Government bonds, and property of all descriptions must lose two-thirds of their present value.

The men most active in the work of destruction are, strangely enough, precisely those whose real and permanent interests should lead them in the opposite direction—the representatives of trans-Mississippi roads. Of all our people they are those who should most desire to promote immigration, and yet they close their eyes to the fact that immigration grows with development of our mineral resources and declines as furnaces are blown out and rolling mills are closed. Of all, they should most desire that existing railroad property should be productive, yet do they close their eyes to the fact that such property has always declined in value as furnaces and mills were closed, and grown again as mills were once again opened, and as furnaces were built. Of all, they should most desire that a low price of foreign iron should operate as a check upon our iron-masters, yet do they close their eyes to the fact that such iron has always fallen in price as domestic competition has grown, and risen again as soon as they and others like them had succeeded in enabling the "wealthy English capitalists" to destroy that competition. Of all, they are those who have suffered most and learned the least.

It was under the protective tariff of 1828 that immigration first became a matter of much importance. Furnaces were then built, internal commerce grew rapidly, farmers became rich, transporters were well rewarded for their services, immigration trebled in its amount, and American competition compelled the British iron-masters to furnish iron at a moderate price.

Eight years later all this was changed, the American makers of roads and of iron being both together ruined, labor being everywhere in excess of the demand, and immigration remaining stationary at a point but little higher than it had so promptly reached in 1834.

Eight years still later we find that under protection the production of iron had trebled, thereby making such demand for labor as to have carried the number of immigrants up to little short of 300,000.

At the close of another period of similar length, passed under the free trade system, we find labor to have been in excess of demand while railroad owners were being ruined, and immigration to have so far declined as to have ceased to merit much consideration.

Again, in 1865, we have reached a period of some protection to the greatest of all the industries of the world. Labor is, therefore, in demand. Immigration grows, and with it the value of railroad stock, while British iron is very cheap.

The close connection that here is shown to exist between immigration and protection, as well as between prosperity and a low price of British iron, ought surely to be sufficient to satisfy our trans-Mississippi friends of the absolute necessity that exists for giving to the great departments of industry that certain protection which is required for securing a rapid increase in the domestic competition for supplying the market with coal, paper, leather, and iron of all descriptions. They have land in abundance, and their mineral wealth is great beyond all calculation. What they need is *power*. To obtain that they must have men to mine their coal and their ore, to build engines, to clear their lands, and to make their roads. Men come *always* when we have protection. They fly from us *always* when we are subjected to the British free trade system. Can they not, then, see that all their real and permanent interests are in perfect harmony with those of the older States? Must they be once more "brayed" in the free trade "mortar" before they will come to understand these things?

So much for the past, and now, for moment, let us look to the future. To all appearances it will be needed, within a very brief period, to relay all the southern roads, and there will be need for hundreds of thousands of tons of rails. Are we preparing for this? Are we now building furnaces and rolling mills? We are not! On the contrary, they are being closed, even the present taxes, as compared with the duties on that made abroad, being so oppressive that the work of manufacture can no longer be carried on with any profit. It is seen, too, that the nearer we approach a gold value the heavier become the internal taxes, and the more does the foreign manufacturer tend to become *protected against the domestic one.* Let this continue but a little longer, and let occasion arise for laying those Southern roads, and what then will be the price of British iron? Cannot our railroad managers see that, in pursuing their present course, they are not only "killing the goose that lays the golden egg," but also providing for subjecting themselves to a taxation for the benefit of our British *friends* that, combined with the loss of the domestic traffic, must cause the price of their stock to fall again to the low price at which it stood in 1857? Cannot they see that now, as always heretofore, they are playing cards that have been placed in their hands by men whose one great object in life is that of having food and labor cheap while iron is maintained at the highest price? Can they not see that the objects they should always have in view are directly the reverse of this, their prosperity coming always with rise in the profits of the farmer and in the wages of the laborer, and decline in the price of iron? They are now laboring to arrest the growing tendency to emigration from the shores of Europe; and yet, every man who can be attracted here becomes, from the moment of his arrival, a contributor to their revenues, while preparing, by means of procreation, for a further increase in the number of such contributors, and in the powers of each and all.

It is surely time that our railroad managers should awaken to the fact that their interests are so perfectly in harmony with those of the men who mine coal and make iron that every blow levelled at the latter tells directly upon themselves. When they shall do so—when they shall have arrived at the conclusion that these two great interests should stand shoulder to shoulder with each other, and that an enlightened self-interest ought to prompt them to aid in securing the adoption of measures looking to the incorporation of home-grown food in every yard of cloth, every ream of paper, and every hide of leather consumed on this side of the Atlantic—we shall then at length be fairly on the road toward finding how it is that we may *outdo England without fighting her.*

Sincerely hoping that the day may not be far distant when all this shall be done, and when our people shall, to use the words of Jackson, become a little more *Americanized*, I remain, my dear sir, with great regard and respect,

Yours very truly,

HENRY C. CAREY.

Hon. Schuyler Colfax.

Philadelphia, February 10, 1865.

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